

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 AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
LAWSON LUNDELL LLP
Barristers and Solicitors
Brookfield Place
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.: 34384-188393

AFFIDAVIT OF REGIE AGCAOILI

Sworn on October 24, 2025

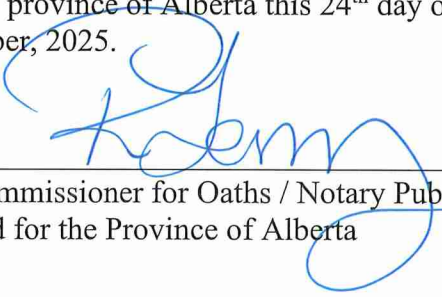
I, Regie Agcaoili of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am a Legal Assistant with the law firm of Lawson Lundell LLP, legal counsel to the Alberta Securities Commission (the “**Commission**”). As such I have personal knowledge of the matters herein, except where stated to be based on information and belief, in which case I do believe such matters to be true.
2. I make this Affidavit for the purpose of attaching certain pleadings filed or made in the within proceedings and in Court of King's Bench Action No. 2401-00457 (the “**Receivership Proceedings**”), and a document provided to the Commission by CatalX CTS Ltd.

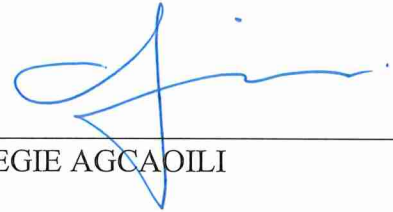
3. Attached hereto and marked as **Exhibit “A”** is a copy of the Creditors’ Package dated May 15, 2025, issued in the within proceedings.
4. Attached hereto and marked as **Exhibit “B”** is a copy of the Form 40 Report of Trustee on Proposal, in the matter of the Proposal of CatalX CTS Ltd. dated June 5, 2025 and filed in the within proceedings on June 11, 2025, with only select Exhibits included.
5. Attached hereto and marked as **Exhibit “C”** is a copy of the Form 40.1 Notice of Hearing of Application for Court Approval of Proposal in the within proceedings, dated June 6, 2025.
6. Attached hereto and marked as **Exhibit “D”** is a copy of the Form 40.1 Amended Notice of Hearing of Application for Court Approval of Proposal in the within proceedings, dated June 9, 2025.
7. Attached hereto and marked as **Exhibit “E”** is a copy of the Application (Approval of Proposal) of the Proposal Trustee, served in the within proceedings on June 9, 2025.
8. Attached hereto and marked as **Exhibit “F”** is a copy of the Brief of Argument of the Proposal Trustee (Approval of Proposal) served in the within proceedings on June 9, 2025.
9. Attached hereto and marked as **Exhibit “G”** is a transcript of proceedings taken June 20, 2025, in the Receivership Proceedings.
10. Attached hereto and marked as **Exhibit “H”** is a copy of the Order (Approval of Proposal) granted on June 20, 2025 and filed in the within proceedings on June 23, 2025.
11. Attached hereto and marked as **Exhibit “I”** is a copy of the Affidavit of Hyuk Jae Park sworn on January 10, 2024 and made in the Receivership Proceedings.
12. Attached hereto and marked as **Exhibit “J”** is a copy of the First Report of the Court-Appointed Receiver of CatalX CTS Ltd. and Catalx Management Ltd. dated and filed in the Receivership Proceedings on May 21, 2024, with select Appendices.

13. Attached hereto and marked as **Exhibit “K”** is a copy of the Second and Final Report of the Court-Appointed Receiver of CatalX CTS Ltd. and Catalx Management Ltd. dated June 6, 2025, and filed in the Receivership Proceedings on June 9, 2025, with only select Appendices included.
14. Attached hereto and marked as **Exhibit “L”** is a copy of the Pre-Registration Undertaking dated March 24, 2023, which was provided by CatalX CTS Ltd. to the Commission.
15. 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 24th day of)
 October, 2025.)



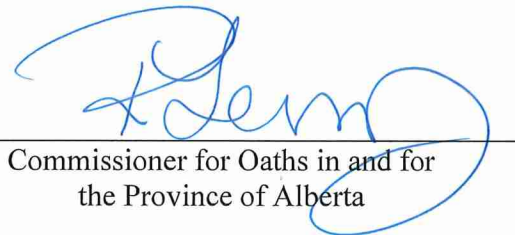
 A Commissioner for Oaths / Notary Public)
 in and for the Province of Alberta)



 REGIE AGCAOILI

Robyn Dawn Lenz
 Commissioner for Oaths
 in and for the Province of Alberta
 My commission expires on November 19, 2026

This is **Exhibit A** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

May 15, 2025

Dear Sir/Madam,

**Subject: In the matter of the Proposal of CatalX CTS Ltd.
Estate No. 25-3223290**

On May 14, 2025, CatalX CTS Ltd. ("**Catalx**") filed a Division I proposal (the "**Proposal**") pursuant to the provisions of Part III Division I of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended, with Deloitte Restructuring Inc., the Licensed Insolvency Trustee in these proceedings (the "**Proposal Trustee**") being duly appointed as Proposal Trustee in the BIA Proposal proceedings for Catalx.

A copy of the Proposal is attached hereto as **Appendix "A"**. It is important that creditors read the Proposal.

A meeting of creditors to consider the Proposal is scheduled for **June 2, 2025 at 2:00 pm MST**, via virtual meeting through Microsoft Teams video conference (the "**Creditors' Meeting**") at:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDY3Mzg0MGMTNDczZC00Y2FILWE3MTUtZjU4NWU4YTU4YzA4%40thread.v2/0?context=%7b%22Tid%22%3a%2236da45f1-dd2c-4d1f-af13-5abe46b99921%22%2c%22Oid%22%3a%222ad992a3-96a4-497b-9220-d4bb5f704ed1%22%7d

Meeting ID: 323 923 735 017 4
Passcode: h3ck9UM6
Phone Conference ID: 173 338 516#

The purpose of the Creditors' Meeting will be to consider the Proposal, which has been made by Catalx to its creditors with claims outstanding as at May 14, 2025, and for the creditors to accept or reject the Proposal.

If you are unable to attend the meeting, you may vote by filing a proof of claim and completing the enclosed voting letter.

To accompany the Proposal, please find enclosed the following documents:

Document	Reference
A formal notice of the Creditors' Meeting	Appendix "B"
The Proposal Trustee's Report to Creditors	Appendix "C"
Catalx's Statement of Affairs as at May 12, 2025	Appendix "D"
A proof of claim form	Appendix "E"
A voting letter and proxy form	Appendix "F"

Voting on the Proposal

The primary purpose of the Creditors' Meeting is to permit creditors to consider the Proposal and to accept or reject it.

In order for the Proposal to be accepted, two thirds in dollar value and over 50% in number of creditors voting must vote in favour of the Proposal. The vote is based on the number of eligible creditors present and voting at the meeting either in person, by proxy, or by mail.

To be eligible to vote, creditors are required to complete, sign and have witnessed, as required, a proof of claim form and proxy form (if you are not an individual creditor). The proof of claim form must be accompanied by a statement of account, or other documentation, supporting the amount of the claim.

All proofs of claim must be returned to the Proposal Trustee by 2:00 pm (MST) on June 2, 2025 at the email address above, or by mail to the following address.

Deloitte Restructuring Inc.
Proposal Trustee of CatalX CTS Ltd.
700 – 850 2 St SW
Calgary, Alberta T2P 0R8
Canada

Email: calgaryrs@deloitte.ca

If you are unable or do not wish to attend the Creditors' Meeting, you may exercise your vote provided that you complete, sign and deliver a copy of the voting letter to the Proposal Trustee by 2:00 pm (MST) on June 2, 2025. The voting letter must be accompanied with a completed proof of claim, otherwise your vote will not be registered.

If creditors do not file a proof of claim with the Proposal Trustee prior to the Creditors' Meeting, creditors will not be able to vote on the Proposal. You will, however, be bound by the Proposal should it be approved by the requisite number of creditors and subsequently approved by the Court.

If the Proposal is approved by the requisite number of creditors, creditors that do not file a claim prior to the Creditors' Meeting will receive a final 30-day notice from the Proposal Trustee to file their claim. Any creditor who does not provide its claim within the said 30-day period shall be barred from making a claim in the Proposal or sharing in any distribution.

If the Proposal is accepted by the statutory majority of creditors, the Proposal Trustee will subsequently make an application to the Court for approval of the Proposal. If the Proposal is not accepted by the statutory majority of creditors, Catalx will be deemed to have made an assignment in bankruptcy.

Inspectors

The creditors may elect up to five inspectors whose duties may include granting extensions of time for payment or distribution to the creditors required pursuant to the Proposal, or such other relief to Catalx as may be in the best interest of the creditors.

Proposal Trustee's Recommendation

The Proposal Trustee recommends the acceptance of the Proposal as it is the Proposal Trustee's view that creditors will receive a more timely and greater distribution under the Proposal than they would experience in a bankruptcy scenario.

Proposal Trustee's Report

The Proposal Trustee's Report, attached hereto as **Appendix "C"**, contains more detailed background and information with respect to the Catalx, the restructuring process, and the Proposal Trustee's reasons for recommending that the Catalx's creditors accept the proposal.

If you have any questions regarding the Proposal or require assistance in completing the enclosed documents, please contact the Proposal Trustee at calgaryrs@deloitte.ca.

Yours sincerely,

DELOITTE RESTRUCTURING INC.

In its capacity as Proposal Trustee of the Estate of
CatalX CTS Ltd.
and not in its personal or corporate capacity

A handwritten signature in blue ink, appearing to read 'Jeff Keeble', is positioned above the typed name.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Enclosures

APPENDIX "A"

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 fulfilment 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.

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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 "D"

Participating Directors

Jae Park
Sung Hun Kim
Cody Church
Gerald D. Chipeur, K.C.
Alan Hallman
Andrea Shaw
Koleya Karringten
Brad Mitchell
Bill Shihara
Mike Smith

APPENDIX “B”

District of: Alberta
Division No. 02 – Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Take notice that CatalX CTS Ltd. of Calgary in the Province of Alberta has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and who claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 2nd day of June 2025 at 2:00 PM via virtual meeting through Microsoft Teams video conference at https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDY3Mzg0MGMtNDczZC00Y2FiLWE3MTUtZjU4NWU4YTU4YzA4%40thread.v2/0?context=%7b%22Tid%22%3a%2236da45f1-dd2c-4d1f-af13-5abe46b99921%22%2c%22Oid%22%3a%222ad992a3-96a4-497b-9220-d4bb5f704ed1%22%7d
Meeting ID: 323 923 735 017 4, Passcode: h3ck9UM6, Phone Conference ID: 173 338 516#

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the city of Calgary in the Province of Alberta, this 14th day of May 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee



700 Bankers Court, 850 – 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 267-1700 Fax: (403) 718-3681

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No. 25-TMPb19533

FORM 92 -- Concluded

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bittrex	6077 S Fort Apache Rd #100 Las Vegas NV 89148 USA		1,727,654.00
Customers	700, 850 - 2 Street SW Calgary AB T2P 0R8		32,261,501.05
Total			33,989,155.05

APPENDIX “C”

District of: Alberta
Division No. 02 – Calgary
Court No. B301-223290
Estate No. 25-3223290

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

PROPOSAL TRUSTEE'S REPORT TO CREDITORS

May 14, 2025

1.0 Introduction and Background

CatalX CTS Ltd. ("**Catalx**" or the "**Debtor**"), formerly Catalx Exchange Inc., operated an internet-based platform for the trading of crypto assets, which enables customers to buy, sell, hold, deposit, and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token (collectively, "**Crypto**").

Catalx Management Ltd. ("**CML**", together with Catalx, the "**Companies**") provided business administration and management services exclusively to Catalx, including but not limited to administrative, management, regulatory, finance, information technologies support, and corporate communication functions.

Catalx operated its platform for Crypto trading in reliance on certain liquidity, custodial, and technology services provided by its platform-support supplier, Bittrex Global GMBH and its affiliates ("**Bittrex Global**"). In addition to other services provided to Catalx, Bittrex Global processed trades for Catalx's clients and served as custodian for the Crypto assets held by Catalx's customers.

On November 20, 2023, Bittrex Global publicly announced its decision to wind-down its operations and cease the provision of all trading services effective as of December 4, 2023.

Catalx determined it was not feasible for it to continue to operate its platform without the support of Bittrex Global and, as a result, on December 4, 2023, in conjunction with Bittrex Global, Catalx decided to commence an orderly wind-down of its business and operations.

In addition to the wind down of Bittrex Global, Catalx had several other factors contribute to its operations being ceased including, but not limited to:

- On or around November 24, 2023, Catalx ceased allowing withdrawals of customer deposits due to liquidity constraints;
- The Companies' financial obligations were not being met as they became due, including missing payroll for what the Receiver (as defined later herein) understands to be twelve (12) employees of CML on December 1, 2023, December 15, 2023, and December 29, 2023;
- Extraordinary events, including a suspected security breach and alleged misappropriation resulting in the loss of a significant portion of the Crypto assets held by Catalx on behalf of its customers; and

- Customer complaints filed with the Alberta Security Commission ("**ASC**") which led to the ASC opening an investigation against Catalx and issuing a Cease Trade Order on December 21, 2023.

On January 19, 2024, Deloitte Restructuring Inc. ("**Deloitte**") was appointed by an Order of the Court of King's Bench of Alberta (the "**Court**") as receiver-manager (the "**Receiver**") without security, of the property of the Companies including, without limitation, all of the Companies' current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof. Additional information with respect to these receivership proceedings (the "**Receivership Proceedings**") can be found on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx>.

The Receiver conducted an investigation of the allegations regarding the misappropriation of Crypto assets owned and/or held by Catalx on behalf of its clients and has realized on all assets of the Companies. As at the date of this report, the Receiver has concluded the majority of its administration of the receivership and anticipates obtaining its discharge on June 20, 2025.

On May 14, 2025, Catalx filed a proposal (the "**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**", the "**BIA Proposal Proceedings**"). Deloitte, a Licensed Insolvency Trustee (the "**Proposal Trustee**"), has consented to act, and was appointed as Proposal Trustee in the BIA Proposal Proceedings for Catalx.

2.0 Summary of the Proposal

A summary of the key terms and conditions of the Proposal are outlined below. The complete Proposal is attached hereto as **Appendix "A"**.

2.1 Proposal Funding

The Proposal outlines the following three (3) funding sources (collectively the "**Cash Pool**"):

- First, Mr. Jae Park (the "Proposal Sponsor"), along with the current and former directors of Catalx sponsoring the Proposal (the "**Participating Directors**"), which specifically excludes Mr. Jae Ho Lee, will advance a total of \$210,000 (the "**Proposal Proceeds**") within one month of the Court approval of the Proposal;
- Second, the funds remaining in the Companies' estate in the Receivership Proceedings, after payment of all fees and costs, at the time of the discharge of the Receiver (the "**Receivership Proceeds**"). As at the date of this report, the Receivership Proceeds are estimated to be approximately \$95,000; and
- Third, any and/or all proceeds received or recovered for the benefit of the Debtor or the Debtor's creditors by the Receiver, the Proposal Trustee, the Debtor, the ASC, the Royal Canadian Mounted Police, or any 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 Mr. Jae Ho Lee (the "**Investigation Funds**") within six months of the implementation date of the Proposal. As at the date of this report, the quantum of Investigation Funds is unknown.

2.2 Creditor Claims

There will be one class of creditors comprising all unsecured creditors of Catalx.

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 May 14, 2025. Claims denominated in currencies commonly known as Crypto, will be converted to Canadian Dollars at the fair market value of the crypto currency at 12:00 pm (MST) on May 14, 2025.

The Proposal indicates that Catalx has no outstanding Preferred Claims or Crown Claims (as both defined in the Proposal) and the only secured claim is from the Proposal Sponsor. The Proposal Sponsor shall not be entitled to vote on the Proposal. Further, the Proposal Sponsor is excluded from the Proposal and shall not participate in any distribution from the Proposal.

2.3 Distribution of Funds

Upon the Proposal being implemented, payment will be made from the Cash Pool as follows:

- a) First in payment of all administration fees and expenses comprising of 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 Mr. Jae Park, 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; and
- b) Secondly to all creditors with proven claims.

The distributions of cash by the Proposal Trustee will be made:

- a) Upon the expiry of six months from the implementation date of the Proposal;
- b) Subject to any levy owed to the Superintendent of Bankruptcy pursuant to the BIA; and
- c) In full and final satisfaction of each proven claim.

Unsecured creditors 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 the Proposal.

2.4 Conditions Precedent

The following are conditions precedent to the implementation of the Proposal (the "**Conditions Precedent**"):

- a) The required majority of the unsecured creditors accept the Proposal;
- b) The Court approves the Proposal, including the Releases in respect of the Released Parties (as both are defined and discussed later herein);
- c) The Proposal Proceeds are paid to the Proposal Trustee within 30 days of Court approval; and
- d) The Receivership Proceeds are paid to the Proposal Trustee upon the discharge of the Receiver.

2.3 Miscellaneous

Catalx may amend its Proposal prior to or at the creditor meeting held to consider and vote upon the Proposal.

At the statutory meeting of creditors held to consider the Proposal, creditors may appoint up to five (5) inspectors under the Proposal, whose duties shall be those as set out in the BIA, as well as:

- a) approving or disapproving any extension of time reasonably required by the Proposal Trustee or Catalx to do anything required under the terms of this Proposal; and
- b) approving or disapproving any other action the Proposal Trustee may wish to take with respect to the Proposal as the Proposal Trustee may from time to time refer to said inspectors.

Articles 10.5 and 10.6 of the Proposal includes that the "...Debtor and 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 (the **"Releases"**). 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."

As outlined above, the Releases in respect of the Released Parties are a Condition Precedent of the Proposal.

3.0 Financial Position

Accompanying Catalx's Proposal is an estimated Statement of Affairs ("**SOA**") reflecting the Company's assets and liabilities as at May 12, 2025. The SOA has been prepared based on the Proposal Trustee's review of Catalx's financial affairs and reflects assets of approximately \$95,000 and liabilities of approximately \$34.0 million indicating a deficit of approximately \$33.9 million.

Due to the limited books and records available to the Receiver and the Proposal Trustee, the amounts owing to trade creditors is unknown and reflected in the SOA as approximately \$1.7 million.

Amounts due to customers reflects the fair market value of the crypto currency holdings in Canadian dollars at 12:00 pm (MST) on May 9, 2025, and is estimated to total approximately \$32.3 million.

4.0 Cash Flow

The statement of projected cash flow, attached hereto as **Appendix "B"**, has been prepared by Catalx for the purposes of this Proposal, using the probable and hypothetical assumptions set out accompanying note disclosures and reports. The Proposal Trustee has reviewed and reported on the cash flow as per the attached Trustee's Report on Cash-Flow Statement attached hereto as **Appendix "C"**.

5.0 Comparative Analysis

In the event the Proposal is rejected by the creditors and/or the Court, Catalx will be deemed to have thereupon made an assignment in bankruptcy.

It is the Proposal Trustee's view that in the case of a bankruptcy, there would be no recoveries available to the unsecured creditors as:

- a) The Proposal Proceeds would not be advanced to Catalx;
- b) The only amounts available to creditors will be the Receivership Proceeds and the Investigation Funds, the amount of which are unknown; and
- c) The claim of the secured creditor and Proposal Sponsor, Mr. Jae Park, if deemed to be a valid and enforceable secured claim, would rank ahead of all other creditors and would be eligible to participate in any distribution from the bankruptcy.

A comparison of the payments contemplated under the Proposal versus a bankruptcy administration are as follows:

\$CAD	Proposal Scenario	Bankruptcy Scenario
Receipts		
Surplus from receivership	95,000	95,000
Proposal Proceeds	210,000	-
Investigation Funds	-	-
Interest	1,411	475
Total Receipts	306,411	95,475
Disbursements		
Professional fees	(177,500)	(50,000)
Service fees	(7,796)	(3,898)
GST paid	(9,265)	(2,695)
Filing fees paid to Official Receiver	(180)	(180)
Fees paid to registrar	(150)	(150)
Total Disbursements	(194,891)	(56,923)
Estimated funds available for distribution	111,520	38,552
Payments to secured creditor	N/A	38,552
Estimated funds available for distribution to unsecured creditor	111,520	-

6.0 Conclusion and Recommendation

In summary, the Proposal Sponsor has elected to file a Proposal and has willingly foregone his secured claim in order to provide a recovery to the unsecured class of creditors.

The Proposal provides the comprehensive Releases for Catalx and the Participating Directors, covering a wide range of claims, both known and unknown, related to Catalx's business and affairs before the Implementation Date; however, the Releases specifically exclude claims related to contractual rights of creditors rising from contracts with the directors and claims based on allegations of misrepresentation made by the directors to creditors or wrongful or oppressive conduct by directors. These exclusions help ensure that creditors' essential rights and statutory protections remain intact. The Releases aim to balance the interests of Catalx, the Participating Directors, and the creditors.

As the Proposal provides for a greater recovery, given there would be no anticipated recovery to unsecured creditors in the event of a deemed bankruptcy assignment, we recommend acceptance of the Proposal.

DATED at Calgary, Alberta, this 14th day of May, 2025.

DELOITTE RESTRUCTURING INC.

In its capacity as Licensed Insolvency Trustee of the
Proposal of CatalX CTS Ltd.
and not in its personal or corporate capacity

A handwritten signature in blue ink, appearing to read 'Jeff Keeble', is positioned above the printed name.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix "A"

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

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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 fulfilment 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 "D"

Participating Directors

Jae Park
Sung Hun Kim
Cody Church
Gerald D. Chipeur, K.C.
Alan Hallman
Andrea Shaw
Koleya Karringten
Brad Mitchell
Bill Shihara
Mike Smith

Appendix "B"

In the Matter of the Division I Proposal of
Catalx CTS Ltd.
Statement of Projected Cash Flow
For the nine-month period ended January 31, 2026
(\$CAD)

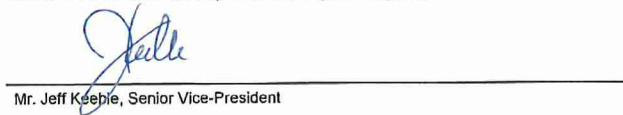
Period Ending:	Notes	May-25 Forecast	Jun-25 Forecast	Jul-25 Forecast	Aug-25 Forecast	Sep-25 Forecast	Oct-25 Forecast	Nov-25 Forecast	Dec-25 Forecast	Jan-26 Forecast	Total Forecast
Receipts											
Surplus from receivership	1		95,000								95,000
Proposal Proceeds	2			210,000							210,000
Investigation Funds	3										-
Interest				2	240	238	236	234	231	229	1,411
Total Receipts		-	95,000	210,002	240	238	236	234	231	229	306,411
Disbursements											
Professional fees	4										
Trustee's Fees			(45,000)	(20,000)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(25,000)	(97,500)
Trustee's Legal Fees			(20,000)	(10,000)							(30,000)
Catalx's Legal Fees			(20,000)	(30,000)							(50,000)
Service fees	5		(3,898)	(3,898)							(7,796)
GST paid			(4,445)	(3,195)	(75)	(75)	(75)	(75)	(75)	(1,250)	(9,265)
Filing fees paid to Official Receiver		(180)									(180)
Fees paid to registrar		(150)									(150)
Total Disbursements		(330)	(93,343)	(67,093)	(1,575)	(1,575)	(1,575)	(1,575)	(1,575)	(26,250)	(194,891)
Net change in cash		(330)	1,657	142,909	(1,335)	(1,337)	(1,339)	(1,341)	(1,344)	(26,021)	111,520
Opening Cash		-	(330)	1,327	144,236	142,902	141,565	140,226	138,884	137,541	-
Ending Cash		(330)	1,327	144,236	142,902	141,565	140,226	138,884	137,541	111,520	111,520

Catalx CTS Ltd.



Mr. Jae Park

Deloitte Restructuring Inc.
in its capacity as Trustee under the proposal of
Catalx CTS Ltd. and not in its personal or corporate capacity.



Mr. Jeff Keeble, Senior Vice-President

Background

On January 19, 2024, Deloitte Restructuring Inc. was appointed by an Order of the Court of King's Bench of Alberta (the "Court") as receiver-manager (the "Receiver") without security, of the property of Catalx CTS Ltd., operating as Catalx ("Catalx") and Catalx Management Ltd. including, without limitation, all of the Catalx' current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof. Additional information with respect to these receivership proceedings can be found on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx>

The Receiver has realized on all assets of Catalx and anticipated obtaining its discharge on June 20, 2025.

Concurrently, Catalx has filed a Division I Proposal (the "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"). The Receiver, a licensed trustee under the BIA, has consented to act as a Proposal Trustee in these proceedings of Catalx under the BIA.

General note

This statement of projected cash flow should be read in conjunction with the Catalx and Trustee reports with respect to the Proposal and this cash flow.

Specific notes and assumptions:

- The Proposal contemplates that 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. The Receiver anticipates receiving its discharge on June 20, 2025 with approximately \$95,000 to be provided to the Proposal Trustee.
- The Proposal contemplates that the Proposal proceeds of approximately \$210,000 shall be paid within one month of the date of court approval of the Proposal. The Proposal Trustee anticipates obtaining Court approval of the Proposal on June 20, 2025, subject to the creditors acceptance of the Proposal at the First Meeting of Creditors scheduled for June 2, 2025. In the event the creditors do not accept the Proposal, Catalx shall be deemed bankrupt.
- The receipt of the Investigation funds comprise any proceeds received or recovered for the benefit of Catalx or Catalx's Creditors by the Receiver, the Proposal Trustee, the Debtor, the Alberta Securities Commission, the Royal Canadian Mounted Police, or any other regulatory or law enforcement agency as a result of ongoing investigations in relation to Catalx and its former director and Chief Financial Officer Jae Ho Lee within six months of the implementation date of the Proposal. At the time this statement of projected cash flow has been prepared, the quantum of investigation funds is unknown.
- Professional fees (excluding GST) are an estimate and will vary depending on the complexities encountered during Catalx's restructuring.
- Services fees are comprised of Amazon and Google web-based platform fees housing the available books and records of Catalx. This cash flow forecast assumes that these services fees will be maintained up to Court approval of the Proposal and/or the deemed bankruptcy of Catalx.

Appendix "C"

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of CatalX CTS Ltd., as of the 12th day of May 2025, consisting of the statement of projected cash-flow for the nine month period ending January 31, 2026, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

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

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



700 Bankers Court, 850 - 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 267-1700 Fax: (403) 718-3681

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Purpose:

This statement of projected cash-flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Assumptions:

The cash-flow has been prepared based on assumptions regarding future events, therefore actual results may vary from the estimates herein and these variances may be material.

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

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



700 Bankers Court, 850 - 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 267-1700 Fax: (403) 718-3681

APPENDIX “D”

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

☒ Original

☐ Amended

-- Form 78 --
Statement of Affairs (Corporate Proposal)
(Subsection 49(2) and Paragraph 158(d) of the Act / subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 12th day of May 2025. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the debtor is a corporation, or by yourself, in other cases..

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

- | | | | | |
|---|---|---|---|--|
| ☐ Negative market conditions; | ☐ Foreign Exchange Fluctuations; | ☐ Economic Downturn; | ☐ Poor Financial Performance; | ☐ Legal Matters (Provide details); |
| ☐ Lack of Working Capital/Funding; | ☐ Competition; | ☐ Legislated or Regulatory Restrictions; | ☐ Natural Disaster; | ☐ Increased Cost of Doing Business; |
| ☐ Overhead Increasing; | ☐ Faulty Infrastructure or Business Model; | ☐ Unsuccessful Marketing Initiatives; | ☐ Personal Issues; | ☐ Poor Management; |
| ☐ Faulty Accounting; | ☐ Tax Liabilities; | ☐ Labour; | ☒ Other (Please specify). | |

Provide relevant details:

[Other] Business failure

ASSETS

(totals from the list of assets as stated and estimated by bankrupt/debtor)

1. Cash on hand		95,001.00
2. Deposits in financial institutions		0.00
3. Accounts receivable and other receivables		
Total amount	0.00	
Estimated realizable value	0.00	0.00
4. Inventory		0.00
5. Trade fixtures, etc.		0.00
6. Livestock		0.00
7. Machinery and equipment		0.00
8. Real property or immovables		0.00
9. Furniture		0.00
10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)		0.00
11. Vehicles		0.00
12. Securities (shares, bonds, debentures, etc.)		0.00
13. Other property		0.00
Total of lines 1 to 13		95,001.00

If debtor is a corporation, add:

Amount of subscribed capital	0.00	
Amount paid on capital	0.00	
Balance subscribed and unpaid	0.00	
Estimated to produce	0.00	0.00

Total assets 95,001.00

Deficiency -33,894,195.05

Total value of assets located outside Canada included in lines 1 to 13 0.00

LIABILITIES

(totals from the list of liabilities as stated and estimated by bankrupt/debtor)

1. Secured creditors	0.00
2. Preferred creditors, securities, and priorities	0.00
3. Unsecured creditors	33,989,196.05
4. Contingent, trust claims or other liabilities estimated to be provable for	0.00
Total liabilities	33,989,196.05
Surplus	33,894,195.05

List of Assets

Arrange by Nature of asset and number consecutively

No.	Nature of asset ¹	Address/Location	Asset located outside Canada	Details	Percentage of bankrupt's/debtor's interest	Total value of the bankrupt's/debtor's interest	Estimated realizable value	Equity or Surplus	Placeholder (values on this line are for notification)
101	Cash on hand	n/a	☐	Cash on Hand - Funds from receivership	100.00	95,000.00	95,000.00	95,000.00	☐
102	Cash on hand	n/a	☐	Cash on Hand - Investigation Funds	100.00	1.00	1.00	1.00	☐
Total						95,001.00	95,001.00		

¹ Choose one option for each item: Cash on hand; Deposits in financial institutions; Accounts receivable and other receivables; Inventory; Trade fixtures, etc.; Livestock; Machinery and equipment; Residential rental property; Commercial building; Industrial building; Land; Immovable industrial equipment; Other real property; Furniture; Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.); Vehicles; Securities (shares, bonds, debentures, etc.); Bills of exchange, promissory note, etc.; Tax refunds; Other personal property.



Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
1	1Password	4711 Yonge St, 10th Floor Toronto ON M2N 6K8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
2	Adobe	343 Preston Street Ottawa ON K1S 1N4	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
3	ADP	6025 11 St SE #100 Calgary AB T2H 2Z2	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
4	Auquanow	1055 W Georgia St Vancouver BC V6E 3P3	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
5	AWS Management Console	P.O. Box 81226 Seattle WA 98108 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
6	Bitfex	6077 S Fort Apache Rd #100 Las Vegas NV 89148 USA	Other	Other		1,727,654.00	0.00	0.00	0.00	1,727,654.00			0.00	☐
7	Cloud AMQP [BLS 84 Codes]	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
8	CloudFlare	101 Townsend St. San Francisco CA 94107 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
9	CRA	9755 King George Blvd Surrey BC V3T 5E1	Other	Taxes		1.00	0.00	0.00	0.00	1.00			0.00	☐
10	Customers	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	CDN \$ equivalent of crypto holdings		32,261,501.05	0.00	0.00	0.00	32,261,501.05			0.00	☐

Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
11	Docsend	351 California Street San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
12	Docusign	221 Main St., Suite 1000 San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
13	Drop Box	1800 Owens St San Francisco CA 94158 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
14	Elixir Forum & Slack	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
15	eNomCentral	10400 NE 4th Street Floor 5, Suite 121 Bellevue WA 98004 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
16	Figma	760 Market Street San Francisco CA 94102 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
17	Flowmapp	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
18	GitHub	88 Colin P Kelly Jr St San Francisco CA 94107 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
19	GilLab	268 Bush Street #350 San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐

Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
20	Go Daddy	2155 E. GoDaddy Way Tempe AZ 85284 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
21	Google (Gsuite)	1600 Amphitheatre Pkwy Mountain View CA 94043 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
22	Hosted Graphite (Metric Fire)	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
23	Intercom	55 2nd Street, 4th Floor San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
24	Jira Atlassian Confluence	Level 6, 341 George Street Sydney NS 2000 Australia	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
25	LastPass	333 Summer Street Boston MA 02210 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
26	LinkedIn	1000 W Maude Ave Sunnyvale CA 94085 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
27	Metabase	9740 Campo Rd. Suite 1029 Spring Valley CA 91977 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
28	Microsoft 365	Microsoft Canada Inc Mississauga ON L5N 8L9	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐

Jae Park

12-May-2025

Date

FORM 78 -- Continued

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
29	Namecheap	4600 East Washington Street Suite 305 Phoenix AZ 85034 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
30	PPSA Victoria BC	200 - 940 Blanshard Street Victoria BC V8W 3E6	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
31	Quickbook	8 Spadina Avenue, Suite 1900 Toronto ON M5V 0S8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
32	RingCentral	21-5480 Canolek Road Ottawa ON K1J 9H7	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
33	RollBar	548 Market St #60587 San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
34	Sendgrid	1801 California Street, Suite 500 Denver CO 80202 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
35	Slack	500 Howard Street San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
36	Slido	44 Montgomery St San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐

Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
37	SumSub	Brickell Business Center 1200 Brickell Ave Ste 182 Miami FL 33131 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
38	Sunlife	150 King Street West Toronto ON M5H 1J9	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
39	TimeScale	335 Madison Ave floor 5 New York NY 10017 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
40	Twilio	101 Spear Street, First Floor San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
41	WagePoint	Suite #1110, 240 - 70 Shawville Blvd Calgary AB T2Y 2Z3	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
42	WCB	PO Box 2415 Edmonton AB T5J 2S5	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
43	Zoom	55 Almaden Blvd, Suite 600 San Francisco CA 95113 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
Total						33,989,196.05	0.00	0.00	0.00	33,989,196.05				

² Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

³ Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other.

Jae Park

12-May-2025

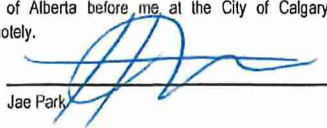
Date

I, Jae Park, of the City of Coquitlam in the Province of British Columbia, do swear (or solemnly declare) that this statement and the attached lists are, to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 12th day of May 2025 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED) remotely by Jae Park stated as being located in the City of Calgary in the Province of Alberta before me at the City of Calgary in the Province of Alberta, on this 12th day of May 2025 in accordance with provincial Regulation on Administering Oath or Declaration Remotely.



Naomi McGregor, Commissioner of Oaths
For the Province of Alberta
Expires January 14, 2026


Jae Park

Court No.

File No.

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Form 78 (8R22)
Statement of affairs (Business bankruptcy)

Deloitte Restructuring Inc. - Licensed Insolvency
Trustee

700 Bankers Court, 850 - 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 267-1700 Fax: (403) 718-3681

APPENDIX “E”

District of: Alberta
Division No. 02 - Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 31
Proof of Claim

(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8),
102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

The creditor's preference is to receive all notices and correspondence regarding this claim at the following address and/or facsimile number and/or email address (a mailing address must be provided in all cases):

Address: _____
Facsimile: _____
Email: _____
Contact person name or position: _____
Telephone number for contact person: _____

In the matter of the proposal of CatalX CTS Ltd. of the City of Calgary in the Province of Alberta and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above named debtor (or that I am _____ (state position or title) of _____ (name of creditor or representative of the creditor) and that I am authorized to represent and (if the creditor is a corporation) that I have authority to bind the creditor of the above-named debtor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 14th day of May 2025, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. Any debt payable in a currency other than Canadian currency was converted to Canadian currency as of the date of proposal.

(The attached statement of account or affidavit must specify the supporting documents or other evidence in support of the claim)

4. That, to the best of my knowledge, this debt has never been (or this debt has been or part of this debt has been) statute-barred as determined under the relevant legislation.

5. That payment for this debt by the debtor to the creditor has been due (or has been in default) since the ____ day of _____, and that the last payment, if any, on this debt by the debtor to the creditor was made on the ____ day of _____, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the ____ day of _____, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

6. (Check and complete appropriate category)

☐ A. Unsecured claim of \$ _____

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and:

(Check appropriate description)

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E below.)

District of Alberta
Division No. 02 - Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 31 --- Continued
In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.01) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.02) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(d.1) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(e) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(f) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(g) of the Act.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under paragraph 136(1)(i) of the Act.

(Set out on an attached sheet details to support priority claim)

- ☐ **B. Claim of Lessor for disclaimer of a lease of \$ _____**

That I make a claim under subsection 65.2(4) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

- ☐ **C. Secured claim of \$ _____**

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, the particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured creditor.

- ☐ **D. Claim by Farmer, Fisherman or Aquaculturist of \$ _____**

That I make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts)

- ☐ **E. Claim by Wage Earner of \$ _____**

☐ That I make a claim under subsection 81.3(8) of the Act in the amount of \$ _____.

☐ That I make a claim under subsection 81.4(8) of the Act in the amount of \$ _____.

- ☐ **F. Claim by Pension Plan for unpaid amount of \$ _____**

☐ That I make a claim under subsection 81.5 of the Act in the amount of \$ _____.

☐ That I make a claim under subsection 81.6 of the Act in the amount of \$ _____.

- ☐ **G. Claim against Director of \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors)
That I make a claim under subsection 50(13) of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

- ☐ **H. Claim of a Customer of a Bankrupt Securities Firm of \$ _____**

That I make a claim as a customer for net equity as contemplated by section 262 of the Act, the particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based)

District of Alberta
Division No. 02 - Calgary
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FORM 31 --- Concluded
In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

7. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

8. That the following are the payments that I have received from the debtor, the credits that I have allowed to the debtor, and the transfers at undervalue within the meaning of section 2 of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act:
(Provide details of payments, credits and transfers at undervalue)

9. (Applicable only in the case of the bankruptcy of an individual.)

☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Warning: Subsection 201(1) of the Act provides for the imposition of severe penalties in the event that a creditor or person claiming to be a creditor makes any false claim, proof, declaration or statement of account.

Dated at _____, this _____ day of _____.

Signature of creditor or representative

Instructions to Creditors

Proof of Claim form

General

Creditors are required to file their claims with the Trustee prior to the time appointed for the meeting of creditors in order to be eligible to vote.

The proper name of the claimant and its complete address, to which all notices or correspondence are to be forwarded, must be shown.

The proof of claim form must be completed by a person, not by a corporation. The person completing the proof of claim form on behalf of a corporation shall indicate his official capacity, such as "Credit Manager", "Secretary", "Authorized Agent", etc.

A proper proof of claim must be supported by a Statement of Account, marked "A", providing details, such as date, invoice numbers and amounts owing, the total of which agrees with the amount indicated on the claim.

All sections of the proof of claim must be completed. Any non-applicable wording should be crossed out.

Paragraph 3

A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payment. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 6

The individual completing the proof of claim must strike out those subsections which do not apply. The priority referred to in subsection 136(f) landlord for rent arrears and acceleration rent, if included in the lease, municipalities, if their claims are not a charge against title, and departments of federal and provincial governments.

All Secured Creditors must attach to their proofs of claim, a certified true copy of their security documents and details of registration.

Paragraph 7

All claimants must indicate whether or not they are related to the debtor, as defined by *The Bankruptcy & Insolvency Act*, by striking out "**ARE**" or "**ARE NOT**".

Paragraph 8

All claimants must attach a detailed list of all payments or credits received or granted, as follows:

- a) within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related.
- b) within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

Voting/Proxy

Any unsecured creditor may vote in person or by proxy, but when a proxy is attending the meeting, he must be so appointed by the creditor. When the creditor is a corporation, the person attending the meeting of the creditors, including the declarant, must be appointed proxy by an officer of the corporation having status to make such an appointment.

Note

Section 201(1) of *The Bankruptcy & Insolvency Act* states: "Where a creditor, or a person claiming to be a creditor, in any proceedings under this Act, willfully and with intent to defraud, makes any false claim or any proof, declaration or statement of account, that is untrue in any material particular, he is guilty of an offence and is liable on summary conviction to a fine not exceeding one thousand dollars, or to imprisonment for a term not exceeding one year, or both."

Deloitte Restructuring Inc.
700-850 2 Street Southwest,
Calgary, AB, T2P 0R8

APPENDIX "F"

District of: Alberta
Division No. 02 - Calgary
Court No. B301-223290
Estate No. 25-3223290

Proxy / Voting letter

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

I, _____, of _____, a creditor in the above matter, hereby appoint
_____, of _____, to be my proxyholder in
the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another
proxyholder in his or her place.

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for the sum of \$
_____, hereby request the trustee acting with respect to the proposal of CatalX CTS Ltd., to record my vote
_____ (for or against) the acceptance of the proposal as made on the 14th day of May 2025.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

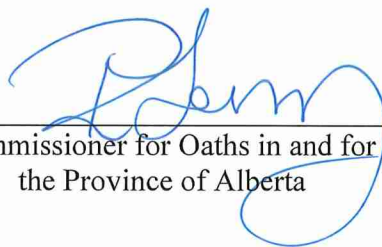
Per _____
Name and Title of Signing Officer

Return To:

Deloitte Restructuring Inc. - Licensed Insolvency Trustee

Licensed Insolvency Trustee
700 Bankers Court, 850 - 2nd Street SW
Calgary AB T2P 0R8
Email: calgaryrs@deloitte.ca

This is **Exhibit B** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz

Commissioner for Oaths

In and for the Province of Alberta

My commission expires on November 19, 2026

District of: Alberta
Division No. 02 - Calgary
Court Number: B301-223290
Estate Number: 25-3223290



FORM 40
REPORT OF TRUSTEE ON PROPOSAL
IN THE MATTER OF THE PROPOSAL OF
CATALX CTS LTD.

We, Deloitte Restructuring Inc., the Licensed Insolvency Trustee acting in the proposal of CatalX CTS Ltd. ("**Catalx**"), hereby report to the Court as follows:

1. THAT a proposal was filed with us on the 14th day of May, 2025 (the "**Proposal**"), a copy of which is attached and marked as **Exhibit "A"**, and that we filed a copy of the Proposal with the Official Receiver on the 14th day of May, 2025.
2. THAT on the 15th day of May, 2025 we gave notice to the debtor, to the division office and to every known creditor affected by the Proposal, whose names and addresses are shown in **Exhibit "B"** to this report, of the calling of a meeting of creditors to be held on the 2nd day of June 2025 to consider the Proposal.
3. THAT with the notice was included a condensed Statement of the Assets and Liabilities of the debtor, a list of creditors affected by the Proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the Proposal, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the condensed statement and the list of creditors are attached and marked as **Exhibits "C1"**, **"C2"**, and **"C3"** respectively.
4. THAT prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.
5. THAT the meeting of creditors was held on the 2nd day of June, 2025 and was presided over by Amendra Singh of the Office of the Superintendent of Bankruptcy.
6. THAT the Proposal was accepted by the required majority of creditors.
7. THAT a copy of the minutes of the meeting is attached and marked as **Exhibit "D"**.
8. THAT we are of the opinion that the assets of the debtor and their fair realizable value and the liabilities of the debtor, are as set out in the estimated Statement of Affairs as at May 12, 2025, which is attached and marked as **Exhibits "C2"** and **"C3"**.
9. THAT we are also of the opinion that:
 - a) The causes of the insolvency of the debtor are as follows:
 - i. CatalX operated an internet-based platform for the trading of crypto assets through services provided by its platform-support supplier, Bittrex Global GMBH and its affiliates ("**Bittrex Global**"). In addition to other services provided to Catalx, Bittrex Global processed trades for Catalx's clients and served as custodian for the Crypto assets held by Catalx's customers.
 - ii. On November 20, 2023, Bittrex Global publicly announced its decision to wind-down its operations and cease the provision of all trading services effective as of December 4, 2023.

- iii. Catalx determined it was not feasible for it to continue to operate its platform without the support of Bittrex Global and, as a result, on December 4, 2023, in conjunction with Bittrex Global, Catalx decided to commence an orderly wind-down of its business and operations.
 - iv. In addition to the wind down of Bittrex Global, Catalx had several other factors contribute to its operations being ceased including, but not limited to:
 - On or around November 24, 2023, Catalx ceased allowing withdrawals of customer deposits due to liquidity constraints;
 - The Company's financial obligations were not being met as they became due;
 - Extraordinary events, including a suspected security breach and alleged misappropriation resulting in the loss of a significant portion of the Crypto assets held by Catalx on behalf of its customers; and
 - Customer complaints filed with the Alberta Security Commission ("**ASC**") which led to the ASC opening an investigation against Catalx and issuing a Cease Trade Order on December 21, 2023.
 - v. On January 19, 2024, Deloitte was appointed by an Order of the Court of King's Bench of Alberta (the "**Court**") as receiver-manager (the "**Receiver**") of Catalx and Catalx Management Ltd. (collectively, the "**Companies**").
 - vi. The Receiver conducted an investigation of the allegations regarding the misappropriation of Crypto assets owned and/or held by Catalx on behalf of its clients and has realized on all assets of the Companies. All matters in the receivership have effectively concluded, and the Receiver intends on applying imminently to Court for its discharge.
 - vii. Mr. Jae Park, along with the current and former directors of CatalX have elected to file a Proposal in order to provide a recovery to the unsecured class of creditors.
- b) The conduct of the debtor is subject to censure in the following respects:
- None.
- c) The following facts, mentioned in Section 173 of the Act may be proved against the debtor:
- None.
10. THAT we are further of the opinion that the debtor's Proposal is an advantageous one for the creditors, for the following reasons:
- a) The Proposal provides for a greater recovery, given there would be no anticipated recovery to unsecured creditors in the event of a deemed bankruptcy assignment.
11. THAT we forwarded a copy of this report to the Official Receiver on this day.

DATED at Calgary, Alberta, this 5th day of June, 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

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

700 Bankers Court, 850 – 2nd Street SW
Calgary AB T2P 0R8
Email: calgaryrs@deloitte.ca

EXHIBIT "A"

Exhibit not included

EXHIBIT "B"

Creditor Mailing List

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Creditor Type	Name	Attention	Address
Unsecured	1Password		4711 Yonge St, 10th Floor Toronto ON M2N 6K8
	Adobe		343 Preston Street Ottawa ON K1S 1N4
	ADP		6025 11 St SE #100 Calgary AB T2H 2Z2
	Auqanow		1055 W Georgia St Vancouver BC V6E 3P3
	AWS Management Console		P.O. Box 81226 Seattle WA 98108 USA amazon-ir@amazon.com
	Bittrex		6077 S Fort Apache Rd #100 Las Vegas NV 89148 USA oliver@bittrexglobal.com
	CloudFlare		101 Townsend St San Francisco CA 94107 USA
	CRA		9755 King George Blvd Surrey BC V3T 5E1
	Docsend		351 California Street San Francisco CA 94104 USA
	DocuSign		221 Main St., Suite 1000 San Francisco CA 94105 USA
	Drop Box		1800 Owens St San Francisco CA 94158 USA
	eNomCentral		10400 NE 4th Street Floor 5, Suite 121 Bellevue WA 98004 USA
	Figma		760 Market Street San Francisco CA 94102 USA
	GitHub		88 Colin P Kelly Jr St San Francisco CA 94107 USA
	GitLab		268 Bush Street #350 San Francisco CA 94104 USA
	Go Daddy		2155 E. GoDaddy Way Tempe AZ 85284 USA
	Google (Gsuite)		1600 Amphitheatre Pkwy Mountain View CA 94043 USA
	Intercom		55 2nd Street, 4th Floor San Francisco CA 94105 USA
	Jira Atlassian Confluence		Level 6, 341 George Street Sydney NS 2000 Australia
	LastPass		333 Summer Street Boston MA 02210 USA
	LinkedIn		1000 W Maude Ave Sunnyvale CA 94085 USA
	Metabase		9740 Campo Rd. Suite 1029 Spring Valley CA 91977 USA legal@metabase.com
	Microsoft365		Microsoft Canada Inc Mississauga ON L5N 8L9
	Namecheap		4600 East Washington Street Suite 305 Phoenix AZ 85034 USA
	PPSA Victoria BC		200 - 940 Blanshard Street Victoria BC V8W 3E6

THIS IS EXHIBIT "A"
referred to in the Affidavit of
James P. Pehay
Sworn before me this 15th
Day of May A.D. 2025
[Signature]
A COMMISSIONER FOR CATHS
IN AND FOR THE PROVINCE OF ALBERTA
Expires: January 14, 2026

Creditor Mailing List

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Creditor Type	Name	Attention	Address
Unsecured	Quickbook		8 Spadina Avenue, Suite 1900 Toronto ON M5V 0S8
	RingCentral		21-5480 Canotek Road Ottawa ON K1J 9H7
	RollBar		548 Market St #60587 San Francisco CA 94104 USA
	Sendgrid		1801 California Street, Suite 500 Denver CO 80202 USA
	Slack		500 Howard Street San Francisco CA 94105 USA
	Slido		44 Montgomery St San Francisco CA 94104 USA
	SumSub		Brickell Business Center 1200 Brickell Ave Ste 182 Miami FL 33131 USA hello@sumsub.com
	Sunlife		150 King Street West Toronto ON M5H 1J9
	TimeScale		335 Madison Ave floor 5 New York NY 10017 USA
	Twilio		101 Spear Street, First Floor San Francisco CA 94105 USA

**Customer mailing list removed
from this Exhibit**

EXHIBIT "C1"

District of: Alberta
Division No. 02 – Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Take notice that CatalX CTS Ltd. of Calgary in the Province of Alberta has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and who claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 2nd day of June 2025 at 2:00 PM via virtual meeting through Microsoft Teams video conference at https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDY3Mzq0MGMiNDczZC00Y2FiLWE3MTUiZjU4NWU4YTViYzA4%40thread.v2/0?context=%7b%22id%22%3a%2236da45f1-dd2c-4d1f-af13-5abe46b99921%22%2c%22oid%22%3a%222ad992a3-96a4-497b-9220-d4bb5f704ed1%22%7d
Meeting ID: 323 923 735 017 4, Passcode: h3ck9UM6, Phone Conference ID: 173 338 516#

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the city of Calgary in the Province of Alberta, this 14th day of May 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee



700 Bankers Court, 850 – 2nd Street SW
Calgary AB T2P 0R8
Phone: (403) 267-1700 Fax: (403) 718-3681

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No. 25-TMPb19533

FORM 92 — Concluded

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Bittrex	6077 S Fort Apache Rd #100 Las Vegas NV 89148 USA		1,727,654.00
Customers	700, 850 - 2 Street SW Calgary AB T2P 0R8		32,261,501.05
Total			33,989,155.05

EXHIBIT "C2"

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

☒ Original

☐ Amended

-- Form 78 --
Statement of Affairs (Corporate Proposal)
(Subsection 49(2) and Paragraph 158(d) of the Act / subsections 50(2) and 62(1) of the Act)
In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta



To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 12th day of May 2025. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration by a duly authorized director, if the debtor is a corporation, or by yourself, in other cases.

Give reasons for the bankrupt's/debtor's financial difficulty (Select all that apply and provide details):

- | | | | | |
|---|---|---|---|--|
| ☐ Negative market conditions; | ☐ Foreign Exchange Fluctuations; | ☐ Economic Downturn; | ☐ Poor Financial Performance; | ☐ Legal Matters (Provide details); |
| ☐ Lack of Working Capital/Funding; | ☐ Competition; | ☐ Legislated or Regulatory Restrictions; | ☐ Natural Disaster; | ☐ Increased Cost of Doing Business; |
| ☐ Overhead Increasing; | ☐ Faulty Infrastructure or Business Model; | ☐ Unsuccessful Marketing Initiatives; | ☐ Personal Issues; | ☐ Poor Management; |
| ☐ Faulty Accounting; | ☐ Tax Liabilities; | ☐ Labour; | ☒ Other (Please specify). | |

Provide relevant details:

[Other] Business failure

ASSETS

(totals from the list of assets as stated and estimated by bankrupt/debtor)

1. Cash on hand		95,001.00
2. Deposits in financial institutions		0.00
3. Accounts receivable and other receivables		
Total amount	0.00	
Estimated realizable value	0.00	0.00
4. Inventory		0.00
5. Trade fixtures, etc.		0.00
6. Livestock		0.00
7. Machinery and equipment		0.00
8. Real property or immovables		0.00
9. Furniture		0.00
10. Intangible assets (intellectual properties, licences, cryptocurrencies, digital tokens, etc.)		0.00
11. Vehicles		0.00
12. Securities (shares, bonds, debentures, etc.)		0.00
13. Other property		0.00
Total of lines 1 to 13		95,001.00

If debtor is a corporation, add:

Amount of subscribed capital	0.00	
Amount paid on capital	0.00	
Balance subscribed and unpaid	0.00	
Estimated to produce	0.00	0.00

Total assets	95,001.00
Deficiency	-33,894,195.05
Total value of assets located outside Canada included in lines 1 to 13	0.00

LIABILITIES

(totals from the list of liabilities as stated and estimated by bankrupt/debtor)

1. Secured creditors	0.00
2. Preferred creditors, securities, and priorities	0.00
3. Unsecured creditors	33,989,196.05
4. Contingent, trust claims or other liabilities estimated to be provable for	0.00
Total liabilities	33,989,196.05
Surplus	33,894,195.05

EXHIBIT "C3"

FORM 78 - Continued

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
1	IPassword	4711 Yonge St 10th Floor Toronto ON M2N 6K8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
2	Adobe	343 Preston Street Ottawa ON K1S 1N4	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
3	ADP	6025 11 St SE #100 Calgary AB T2H 2Z2	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
4	Auqanow	1055 W Georgia St Vancouver BC V6E 3P3	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
5	AWS Management Console	P.O. Box 81226 Seattle WA 98108 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
5	Bitfex	6077 S Fort Apache Rd #100 Las Vegas NV 89148 USA	Other	Other		1,727,654.00	0.00	0.00	0.00	1,727,654.00			0.00	☐
7	Cloud AMQP [BLS B4 Codes]	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
3	CloudFlare	101 Townsend St. San Francisco CA 94107 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
3	CRA	9755 King George Blvd Surrey BC V3T 5E1	Other	Taxes		1.00	0.00	0.00	0.00	1.00			0.00	☐
10	Customers	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	CDN \$ equivalent of crypto holdings		32,261,501.05	0.00	0.00	0.00	32,261,501.05			0.00	☐

Jae Park

12-May-2025

Date

FORM 78 – Continued

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
11	Docsend	351 California Street San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
12	DocuSign	221 Main St., Suite 1000 San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
13	Drop Box	1800 Owens St San Francisco CA 94158 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
14	Elixir Forum & Slack	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
15	eNomCentral	10400 NE 4th Street Floor 5, Suite 121 Bellevue WA 98004 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
16	Figma	760 Market Street San Francisco CA 94102 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
17	Flowmapp	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
18	GitHub	88 Colin P Kelly Jr St San Francisco CA 94107 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
19	GitLab	268 Bush Street #350 San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐

Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Place-holder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
20	Go Daddy	2155 E. GoDaddy Way Tempe AZ 85284 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
21	Google (Gsuite)	1600 Amphitheatre Pkwy Mountain View CA 94043 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
22	Hosted Graphite (Metric Fire)	700, 850 - 2 Street SW Calgary AB T2P 0R8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
23	Intercom	55 2nd Street, 4th Floor San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
24	Jira Atlassian Confluence	Level 6, 341 George Street Sydney NS 2000 Australia	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
25	LastPass	333 Summer Street Boston MA 02210 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
26	LinkedIn	1000 W Maude Ave Sunnyvale CA 94085 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
27	Mailbase	9740 Campo Rd Suite 1029 Spring Valley CA 91977 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
28	Microsoft 365	Microsoft Canada Inc Mississauga ON L5N 8L9	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐

Jae Park

12-May-2025

Date

FORM 78 – Continued

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder (values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
29	Namecheap	4600 East Washington Street Suite 305 Phoenix AZ 85034 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
30	PPSA Victoria BC	200 - 940 Blanshard Street Victoria BC V8W 3E6	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
31	Quickbook	8 Spadina Avenue, Suite 1900 Toronto ON M5V 0S8	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
32	RingCentral	21-5480 Canotek Road Ottawa ON K1J 9H7	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
33	RollBar	548 Market St #60587 San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
34	Sandgrid	1801 California Street, Suite 500 Denver CO 80202 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
35	Slack	500 Howard Street San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
36	Slack	Montgomery St San Francisco CA 94104 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐


Jae Park

12-May-2025

Date

List of Liabilities

No.	Name of creditor or claimant	Address	Nature of liability ²	Details	Date given/ incurred	Amount of Claim					Asset securing the liability	Ground for the right to a priority ³	Estimated surplus or (deficit) from security	Placeholder values on this line are for notification only)
						Unsecured	Secured	Preferred/Priorities	Contingent, trust claims or other liabilities	Total amount of claim				
37	SumSub	Brickell Business Center 1200 Brickell Ave Ste 182 Miami FL 33131 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
38	Sunlife	150 King Street West Toronto ON M5H 1J9	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
39	TimeScale	335 Madison Ave floor 5 New York NY 10017 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
40	Twilio	101 Spear Street, First Floor San Francisco CA 94105 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
41	WagePoint	Suite #1110, 240 - 70 Shawville Blvd Calgary AB T2Y 2Z3	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
42	WCB	PO Box 2415 Edmonton AB T5J 2S5	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
43	Zoom	55 Almaden Blvd, Suite 600 San Francisco CA 95113 USA	Other	Unknown		1.00	0.00	0.00	0.00	1.00			0.00	☐
Total						33,989,196.05	0.00	0.00	0.00	33,989,196.05				

² Choose one option for each item: Accounts payable; Owed rent; Owed wages; Severance pay; Corporate taxes; Sales taxes; Employee source deductions; Litigation/legal costs and awards; Subordinated debenture; Bills of exchange; Promissory notes; Lien notes; Mortgages or hypothec on real or immovable property; Chattel mortgages or movable hypothec; General Security Agreement; Intercompany loans; Bank loans (except real property mortgage); Finance company loans; Shareholder loans; Shares and subscribed capital; Other claim or liability.

³ Choose one option for each item with a preferred or priority amount: Unpaid supplier; Farmer, fisherman or aquaculturist; Owed wages; Unpaid amount regarding pension plan; Municipal taxes; Rent; Customer of a bankrupt securities firm; Deemed trust in favour of the Crown; Priming charges and interim financing; Environmental liabilities; Other

Jae Park

12-May-2025

Date

EXHIBIT "D"

District of: Alberta
Division No.: 02 - Calgary
Court No.: B301-223290
Estate No.: 25-3223290

**IN THE MATTER OF THE PROPOSAL OF
CATALX CTS LTD.
OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA**

MINUTES OF THE FIRST MEETING OF CREDITORS

1. The first meeting of creditors ("**FMOC**") for the proposal of CatalX CTS Ltd. ("**Catalx**" or the "**Company**") was held on June 2, 2025, at 2:00 pm MST via a virtual meeting through a Microsoft Teams video conference.

ATTENDANCE

2. The following parties were in attendance:

Chairperson: Amendra Singh, Office of the Superintendent of Bankruptcy

Trustee: Jeff Keeble, Licenced Insolvency Trustee, Deloitte Restructuring Inc.

Secretary: James Doney, Secretary, Deloitte Restructuring Inc.

Other Parties:

Naomi McGregor, Deloitte Restructuring Inc.

Andrew Stott, Deloitte Restructuring Inc.

Jessica MacKinnon, Proposal Trustee's legal counsel, Burnet, Duckworth & Palmer LLP

Pavin Takhar, Company Debtor's legal counsel, Miller Thomson

Tingting Zhang, Office of the Superintendent of Bankruptcy

Creditors: See attached attendance list

CALL TO ORDER AND QUORUM

3. Mr. Keeble welcomed those present to the FMOC, introduced the parties present and indicated that Mr. Singh would be acting as the Chairperson for the FMOC. A roll call was held to identify the creditors present, and the meeting was then handed over to the Chairperson.
4. The Chairperson called the FMOC to order at 2:30pm and indicated that the FMOC had been properly called and constituted and a quorum was present as at least one creditor was present who was eligible to vote in person or by proxy.
5. The Chairperson indicated that any decisions he made in the FMOC could be challenged and appealed to the Court.
6. The Chairperson informed the creditors present that the agenda for the FMOC was as follows:
 - a. Consider the affairs of Catalx and the terms and conditions of the proposal filed by Catalx on May 14, 2025 (the "**Proposal**");
 - b. Answer any questions the creditors have on the Company or the Proposal;
 - c. Hold a vote on the Proposal;
 - d. Elect any parties who want to act as inspectors in the estate; and
 - e. Deal with any other matters or questions from the creditors.

NOTICE

7. The Chairperson turned the meeting over to Deloitte Restructuring Inc. ("**Deloitte**"), the Licensed Insolvency Trustee acting in the Proposal (the "**Proposal Trustee**"), and Ms. McGregor advised that the notice of the Proposal and FMOC for Catalx were emailed on May 15, 2025, or sent via regular mail where an email was unavailable.
8. Ms. McGregor informed all persons present, that a creditor would not be entitled to vote unless they have lodged with the Proposal Trustee a proof of claim prior to the time specified for the FMOC.

DOCUMENTS TABLED

9. Ms. McGregor advised that the following documents were tabled and noted to be available to the creditors attending the meeting:
 - Statement of affairs;
 - Notice of the meeting mailed to creditors May 15, 2025;
 - Proof of mailing for the meeting;
 - The Proposal;
 - Blank proof of claim and voting letter;
 - Cash flow statement; and
 - The Proposal Trustee's Report to Creditors

PROPOSAL TRUSTEE'S REPORT

10. The Chairperson asked the Proposal Trustee to review the Proposal Trustee's Report to Creditors dated May 14, 2025 (the "**Report**"). Ms. McGregor reviewed the Report in detail and highlighted the following items, among others:
 - a. Catalx operated an internet-based platform for the trading of crypto assets through services provided by its platform-support supplier, Bittrex Global GMBH and its affiliates ("**Bittrex Global**"). In addition to other services provided to Catalx, Bittrex Global processed trades for Catalx's clients and served as custodian for the Crypto assets held by Catalx's customers.
 - b. On November 20, 2023, Bittrex Global publicly announced its decision to wind-down its operations and cease the provision of all trading services effective as of December 4, 2023.
 - c. Catalx determined it was not feasible for it to continue to operate its platform without the support of Bittrex Global and, as a result, on December 4, 2023, in conjunction with Bittrex Global, Catalx decided to commence an orderly wind-down of its business and operations.
 - d. In addition to the wind down of Bittrex Global, Catalx had several other factors contribute to its operations being ceased including, but not limited to:
 - i. On or around November 24, 2023, Catalx ceased allowing withdrawals of customer deposits due to liquidity constraints;
 - ii. Financial obligations were not being met as they became due;
 - iii. Extraordinary events, including a suspected security breach and alleged misappropriation resulting in the loss of a significant portion of the Crypto assets held by Catalx on behalf of its customers; and

- iv. Customer complaints filed with the Alberta Security Commission ("**ASC**") which led to the ASC opening an investigation against Catalx and issuing a Cease Trade Order on December 21, 2023.
11. On January 19, 2024, Deloitte was appointed by an Order of the Court of King's Bench of Alberta (the "**Court**") as receiver-manager (the "**Receiver**") of Catalx and Catalx Management Ltd. (collectively, the "**Companies**").
12. The Receiver conducted a forensic investigation (the "**Forensic Investigation**") around the allegations regarding the misappropriation of Crypto assets owned and/or held by Catalx on behalf of its clients and has realized on all assets of the Companies.
13. The Proposal Trustee advised that all matters in the receivership have effectively concluded, and the Receiver intends on applying imminently to Court for its discharge.
14. The Proposal Trustee summarized the key terms of the Proposal as follows:
- a. The Proposal outlines three funding sources:
 - i. Mr. Jae Park ("**Mr. Park**" or the "**Proposal Sponsor**"), along with the current and former directors of Catalx sponsoring the Proposal (the "**Participating Directors**"), which specifically excludes Mr. Jae Ho Lee ("**Mr. Lee**"), will advance a total of \$210,000 (the "**Proposal Proceeds**");
 - ii. Residual balance in the receivership estate, currently estimated to be \$95,000 (the "**Receivership Proceeds**"); and
 - iii. Any proceeds from the investigations (the "**Investigation Funds**") of the ASC or Royal Canadian Mounted Police ("**RCMP**").
 - b. All creditors form a single class of unsecured creditors, with any amounts available for distribution to be allocated on a pro-rata basis.
 - c. Claims denominated in currencies commonly known as Crypto, will be converted to Canadian Dollars at the fair market value of the crypto currency at 12:00 pm (MST) on May 14, 2025.
 - d. The following are conditions precedent to the implementation of the Proposal:
 - i. The required majority of the unsecured creditors accept the Proposal;
 - ii. The Court approves the Proposal, including the Releases in respect of the Released Parties (as both are defined and discussed later herein);
 - iii. The Proposal Proceeds are paid to the Proposal Trustee within 30 days of Court approval; and
 - iv. The Receivership Proceeds are paid to the Proposal Trustee upon the discharge of the Receiver.
 - e. The Proposal provides the comprehensive Releases for Catalx and the Participating Directors, covering a wide range of claims, both known and unknown, related to Catalx's business and affairs before the implementation date of the Proposal; however, the Releases specifically exclude claims related to contractual rights of creditors rising from contracts with the directors and claims based on allegations of misrepresentation made by the directors to creditors or wrongful or oppressive conduct by directors. These exclusions help ensure that creditors' essential rights and statutory protections remain intact.
15. The Proposal Trustee summarized the Company's affairs as reported on the Company's Statement of Affairs.

16. The Proposal Trustee advised that in the event the Proposal is refused by the creditors, Catalx would be deemed to have made an assignment in bankruptcy, which would result in no foreseeable recovery to unsecured creditors.

QUESTION PERIOD

17. The Chairperson opened the floor to questions. Creditors raised numerous questions regarding various matters both verbally and through the chat function of the video conference. Below is a summary of topics addressed during the question period.

Proposal administration and proof of claims

18. Questions raised included is a proof of claim required, how to file a proof of claim, how are claims valued, where can information with respect to these proceedings be found, how to contact the Proposal Trustee, who was notified of the Proposal and how.
19. The Proposal Trustee advised that all available information with respect to the receivership proceedings and the Proposal can be found on the Proposal Trustee's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx.aspx>
20. Contact information for the Proposal Trustee can be found on the Proposal Trustee's website or the Proposal Trustee can be contact by email at calgaryrs@deloitte.ca.
21. The *Bankruptcy and Insolvency Act (Canada)* ("**BIA**") requires the Proposal Trustee to notify all known creditors with claims of \$250 or more. The Notice to Creditors (the "**Creditors Package**") with respect to these proposal proceedings was sent to all known creditors (regardless of the estimated claim value) on May 15, 2025, via email. Where the Proposal Trustee did not have the creditor's email, a copy of the Creditors Package was sent via regular mail.
22. There is a total of 6,200 creditors identified through the Company's books and records, of which only 183 creditor packages were returned undeliverable due to invalid email addresses. Of these 142 creditors, claim amounts were estimated to be less than \$250; consequently, no further action was taken by the Proposal Trustee.
23. The Creditor Package is also available on the Proposal Trustee's website.
24. Creditors were required to file a proof of claim prior to date and time scheduled for the FMOC to be able to vote on the Proposal. Creditors are also required to file a proof of claim to participate in the distribution of funds through the Proposal (if accepted by the creditors and approved by the Court).
25. Creditors who have not filed a claim with the Proposal Trustee will receive a final 30-day notice to file their claim or else they will not be able to participate in any distributions.
26. Claims denominated in currencies commonly known as Crypto, will be converted to Canadian Dollars at the fair market value of the crypto currency at 12:00 pm (MST) on May 14, 2025.
27. The Proposal Trustee understands that creditors are unable to access their Catalx accounts as the platform is no longer available. The Receiver and Proposal Trustee have exhausted all available options to access the platform to allow creditors access to their accounts. The Proposal Trustee has recovered transaction histories for each customer to generate statements of account and these will be provided to creditors upon request.
28. Creditors needing a statement of account or assistance with filing their proof of claim should contact the Proposal Trustee at calgaryrs@deloitte.ca.

Proposal terms and conditions

29. Creditors in attendance of the FMOC expressed scepticism that the Proposal, if approved, may absolve the directors of any liability in exchange for a small recovery of funds. Several questions were raised about what legal actions could be taken against the directors, including potential class action lawsuits.
30. Other related questions included what was the benefit of the Proposal to creditors, what are the reasons for accepting the Proposal, does the Proposal impede creditors from taking future legal action against Catalx and/or the directors of Catalx, what will the recoveries be, and what is the timing of distributions?
31. The Proposal Trustee advised that the Proposal Sponsor elected to file a Proposal and has willingly foregone his secured claim in order to provide some recovery to the unsecured creditors.
32. In the event the Proposal is rejected by the creditors and/or the Court, Catalx will be deemed to have made an assignment into bankruptcy.
33. It is the Proposal Trustee's view that in the case of a bankruptcy, there would be no recoveries available to the unsecured creditors as:
 - a. The Proposal Proceeds would not be advanced to Catalx;
 - b. The only amounts available to creditors will be the Receivership Proceeds and the Investigation Funds, the amount of which are unknown; and
 - c. The claim of the secured creditor and Proposal Sponsor, Mr. Park, if deemed to be a valid and enforceable secured claim, would rank ahead of all other creditors in a bankruptcy and there would be no funds available for the unsecured creditors.
34. The Proposal provides the comprehensive releases for Catalx and the Participating Directors, covering a wide range of claims, both known and unknown, related to Catalx's business and affairs before the implementation date; however, this does not release the Participating Directors from claims under Section 50(14) of the BIA related to contractual rights and allegations of misrepresentation or wrongful conduct.
35. The releases specifically exclude claims related to contractual rights of creditors rising from contracts with the directors and claims based on allegations of misrepresentation made by the directors to creditors or wrongful or oppressive conduct by directors.
36. The Proposal Sponsor's counsel advised creditors there had been no wrongdoing on the part of the Proposal Sponsor, and that due to the corporate veil, any claims against the Proposal Sponsor or Participating Directors would most likely be unsuccessful.
37. The Proposal Trustee clarified there has been no indication that the Proposal Sponsor or Participating Directors have been involved; however, a full investigation into the Proposal Sponsor and Participating Directors has not been conducted.
38. The Proposal Trustee further advised that it cannot provide legal advice to the creditors; however, creditors are entitled to consult with their own legal counsel with respect to pursuing legal actions against Catalx and/or the directors of the Company.
39. Should the Proposal be accepted by the creditors and/or Court, funds will be distributed as follows:
 - a. First, payment of all costs to administer the Proposal; and
 - b. Secondly to all creditors with proven claims. Each creditor with a proven claim will receive payment, in cash, on a pro rata basis of the balance of available funds.

40. The distributions of cash by the Proposal Trustee will be made:
- a. Upon the expiry of six months from the implementation date of the Proposal. The Proposal Trustee confirmed the timelines regarding the ongoing investigations remain unknown, however there needed to be an end date to ensure the Proposal is not left unresolved for an extended period of time;
 - b. Subject to any levy owed to the Superintendent of Bankruptcy pursuant to the BIA; and
 - c. In full and final satisfaction of each proven claim.
41. The recovery for creditors is unknown at the date of the FMOC as it is dependent on:
- a. Costs incurred to administer the Proposal; and
 - b. The quantum of claims filed with the Proposal Trustee.
42. The distributions are not expected to be significant, and the Report estimates that \$111,520 may be available for distribution to the creditors through the Proposal.
43. The creditors present were not happy with this small potential return on their investments through the Proposal.

Voting on the Proposal

44. Questions raised included who can vote, can a creditor change their vote, and what recourse is available to creditors if they wish to dispute the voting results.
45. The Proposal Trustee reiterated that only creditors who filed a proof of claim prior to the date and time scheduled for the FMOC are able to vote on the Proposal. For clarity, the deadline to file a claim for voting purposes was 2:00 PM (MST) on June 2, 2025.
46. Creditors are able to change their vote up to the time the vote is called at the FMOC if they have filed valid and accepted proofs of claim with valid proxies (if required).
47. The Proposal is deemed accepted by creditors when the voting results meet the statutory requirements being the majority in number and 2/3 in value of the proven claims voting in favour of the Proposal.
48. There is no avenue for creditors to call for a revote at the FMOC after the vote is properly called and motioned in the event that the creditors are unsatisfied with the results of the vote after they are tabulated.
49. In the event the Proposal is accepted by the creditors, the Proposal Trustee will proceed with an application to have the Proposal approved by the Court.
50. Creditors are able to attend the Court application to dispute the voting results and any appeal or revoting process is at the discretion of the Court.
51. The details with respect to the date and time of the Court application to have the Proposal approved will be posted on the Proposal Trustee's website. Alternatively, creditors may request to be added to the service list.

Bankruptcy Scenario

52. Questions raised included what happens in a bankruptcy, and do creditors need to file a claim in the bankruptcy.
53. The Proposal Trustee reiterated that in the event the Proposal is not accepted by the creditors, Catalx will be deemed bankrupt. The bankruptcy would be administered in accordance with the BIA.

54. The bankruptcy Trustee would attempt to recover all available assets of the Company for the general benefit of the creditors, including any Investigation Funds.
55. Creditors must file a proof of claim to be included in any potential distribution to creditors.
56. The Proposal Trustee also indicated that the bankruptcy trustee can take direction from creditors such as advancing investigations into Catalx's operations or taking actions against directors or Catalx subject to funding being available to do so. The Proposal Trustee added that section 38 of the BIA allows creditors to take actions in their own names, with the approval of the Court, if the Trustee refuses to do so or does not have funds available. The creditors who join the action can recover their costs and claims in full and any excess would have to go back to the estate.

Investigations

57. Creditors requested updates with respect to investigations conducted by the ASC, RCMP and the Receiver.
58. The Proposal Trustee advised creditors that the ASC commenced an investigation after being notified of unauthorized transactions in the Catalx Wallet and issued an Interim Cease Trade Order which was effective from December 21, 2023, to January 5, 2025.
59. The Forensic Investigation revealed a difference between the expected balance of customer assets, consisting of fiat and Crypto, and the actual amount held by Catalx as of January 19, 2024, the date of receivership. Based on the books and records of Catalx available to the Receiver, the estimated value of customer assets which is made up of approximately 590 distinct Crypto amounts to approximately USD\$13,958,536; however, the actual value of these assets is only approximately USD\$151,070. This difference results in a shortfall of customer assets amounting to approximately USD\$13,807,467 (the "**Shortfall**"). The primary cause of the Shortfall was the use of customer assets for purposes unrelated to customer activities. Beginning no later than May of 2021 and persisting until the Platform's de-facto end in the fall of 2023, unauthorized withdrawals of customer assets, facilitated the diversion of assets from the Catalx Wallet to external, unauthorized wallets and Crypto exchange accounts.
60. Additional details with respect to the ASC investigation and the Forensic Investigation can be found in the First Report of the Receiver at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx.aspx>
61. The Receiver has ceased conducting additional work on the Forensic Investigation due to funding constraints in the receivership estate.
62. The Receiver has cooperated with the ASC providing its findings from the Forensic Investigation.
63. The Receiver and Proposal Trustee also understand that the RCMP have an open investigation with respect to Catalx. To date the RCMP have not contacted the Receiver/Proposal Trustee and the status of said investigation is unknown.
64. The Receiver and Proposal Trustee will continue to cooperate with the ASC, other judicial bodies, and law enforcement where it is necessary and appropriate for us to do so.

Insurance claims

65. Questions raised included, what insurance was in place and is there any recoveries through insurance.
66. Catalx advertised to its customers that their funds and assets were safeguarded by bonding insurance. However, based on the Forensic Investigation it is evident that the purported safeguards did not effectively shield customers from the misuse of their assets.

67. Based on the Receiver's review and discussions with insurance providers regarding the policies held by Catalx, Catalx may not have been in compliance with policy terms and conditions. In addition, there appears to be coverage limitations and may not extend to customers.
68. As at the date of the FMOC, the Proposal Trustee is not aware of any open or pending insurance claims and does not anticipate any recoveries through potential insurance claims.

Other matters

69. Other questions raised by creditors included the whereabouts of Mr. Lee, the current investment activities of Mr. Park, and confirmation that Bittrex Global is a creditor.
70. The Proposal Trustee understands that Mr. Lee is overseas; however, his whereabouts is unknown. Mr. Lee has had very limited interaction with the Receiver and no contact with the Proposal Trustee.
71. Mr. Lee has been excluded from the Proposal, including the releases provided to the Participating Directors.
72. The Proposal Trustee and counsel for the Proposal Sponsor has no knowledge of Mr. Park's investment dealings outside of Catalx.
73. Based on available books and records of Catalx, Bittrex Global is an unsecured creditor and has not filed a claim with the Proposal Trustee. The Proposal Trustee understands that Bittrex Global is in liquidation. Additional details with respect to the Bittrex Global liquidation can be found at <https://bittrexglobal.com>.

VOTING

74. The Chairperson called for a motion to vote on the Proposal. On a motion duly made by Brian Loos and seconded by Julien Murdaca-Gauthier, the Proposal Trustee proceeded to call a vote on the Proposal.
75. Several creditors in attendance requested to amend their votes, resulting in the Proposal Trustee requesting those individuals who had filed claims prior to the meeting to confirm their amended votes by either messaging the meeting chat or email to calgaryrs@deloitte.ca.
76. The meeting adjourned for 20 minutes to allow the Proposal Trustee to collect any final votes and last minute claims and update the voting summary based on any new or amended votes.
77. The meeting reconvened at 3:30 pm and the results were announced as follows:

Votes	Value of Claims		# of Claims	
	\$	%	#	%
For	2,169,637	68%	79	76%
Against	805,282	25%	15	14%
No vote lodged with Trustee	206,995	7%	10	10%
Total Claims Filed	3,181,915	100%	104	100%

78. Two creditors in attendance of the FMOC indicated their claims, each in excess of \$200,000, voting against the Proposal were not including in count. Ms. McGregor confirmed that those two claims were included in the count against the Proposal. Ms. McGregor further clarified that the "No vote" in the amount of \$206,995 reflected the proven claims received prior to the FMOC with no votes lodged with the Proposal Trustee.
79. The Chairperson declared that the Proposal was deemed accepted by the creditors as filed given the voting results met the statutory requirements as a majority in number and 2/3 in value of proven claims voted in favour of the Proposal.

80. Some of the creditors in attendance at the FMOC were dissatisfied with the results of the vote and requested a revote on the Proposal. The Proposal Trustee and the Proposal Trustee's legal counsel confirmed that the voting procedure is prescribed in the BIA and is binding. Consequently, there is no avenue for a revote at the FMOC, however, creditors may appear in Court to contest the approval of the Proposal.
81. The Proposal Trustee further advised that the notice of the application to approve Proposal will be served on all proven creditors, in addition to being posted on the Proposal Trustee's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx.aspx>.
82. Subsequent to the FMOC, the Proposal Trustee conducted a recount of all votes and notes the following:
- The value of two claims in favour of the Proposal were inadvertently unaccounted for due to a formula error;
 - The value of two claims against the Proposal were inadvertently unaccounted for due to a formula error;
 - One claim voting against the Proposal was filed via email at the commencement of the FMOC and was inadvertently missed in the voting results shown above;
 - One vote was changed from in favour of the Proposal to against which was not properly reflected in the voting results shown above; and
 - One voting letter against the Proposal was received prior to the motion to vote but was inadvertently missed. This claim had been accounted for as a "No vote lodged with the Trustee" in the voting results shown above.
83. The overall value of the claims previously missed in the count were not material and did not impact the outcome of the vote in favour of the proposal as tabulated in the FMOC. The revised results are as follows:

Votes	Value of Claims		# of Claims	
	\$	%	#	%
For	2,221,798	68%	79	76%
Against	850,949	26%	16	15%
No vote lodged with Trustee	204,413	6%	9	9%
Total Claims Filed	3,277,160	100%	104	100%

84. A detailed voting summary is attached hereto and forms part of these minutes.

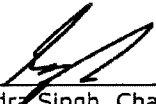
INSPECTORS

85. The Chairperson advised the FMOC attendees of the role of estate inspectors and their responsibilities. The Proposal Trustee advised that inspectors are effectively the eyes and ears of the creditors who work closely with and oversee the Trustee and provide directions and approve fees and disbursements in the estate. A party cannot act as an inspector if they are conflicted and/or a party to any contested action against the Company. Nominal inspector fees are paid, and meetings can be held by conference call. An inspector can resign at any time from the position.
86. Alessandro Tirone advised that he may be interested to act as an inspector, however, he would like further information on the role and responsibilities prior to accepting.
87. On a motion duly made by Cameron Waite and seconded by Henry Ulaszonek, the appointment of Alessandro Tirone as estate inspector was approved, subject to his acceptance of the position.

88. Subsequent to the FMOC, Mr. Tirone was provided with the inspector's handbook and confirmed his acceptance of the inspector role. The Proposal Trustee will schedule the first meeting of inspectors in due course.

ADJOURNMENT

89. The Chairperson called for a motion to adjourn the meeting. On a motion duly made by Brian Loos and seconded by Julien Murdaca-Gauthier, the meeting was adjourned at 4:08 pm.



Amendra Singh, Chairperson
Office of the Superintendent of Bankruptcy



Jeff Keeble, Proposal Trustee
Deloitte Restructuring Inc.

District of: Alberta
Division No.: 02 - Calgary
Court No.: B301-223290
Estate No.: 25-3223290

**IN THE MATTER OF THE PROPOSAL OF
CATALX CTS LTD.
OF THE CITY OF CALGARY, IN THE PROVINCE OF ALBERTA**

ATTENDANCE LIST

Debtor and representatives: Pavin Takhar, counsel to Proposal Sponsor

Chairperson and representatives: Amendra Singh, OSB
Tingting Zhang, OSB - Attendee

Trustee and representatives: Jeff Keeble, Deloitte
Naomi McGregor, Deloitte
Andrew Stott, Deloitte - Attendee
James Doney, Deloitte - Secretary
Jessica MacKinnon, counsel to Proposal Trustee

Creditors:

NAME	Claim Filed
ALESSANDRO STEFANO TIRONE	Y
ALEXANDRE STINES	Y
AMRENDER SINGH BHATTI	Y
ANDREW J HOCULIK	Y
ANDY AODISHO	Y
ANNA LOUISE CIPOLLONE	Y
ASIM SULAIMAN	Y
BEHDIN NOWROUZI	Y
BINH QUOC HUNG LE	Y
BRIAN LOOS	Y
CAMERON FRANCIS WAITE	Y
CARLA NFONO OBAME	Y
CARLOS A E DA COSTA	Y
DYLAN BRIAN HOULIHAN	Y
FREDERIK L HEUREUX	Y
GREGORY MICHAEL BRANDFORD	Y
GUILLAUME HANS	Y
JULIEN MURDACA GAUTHIER	Y
VAHID DAGHIGHI SADEGH	Y
VINEET JAMES NEOGI	Y
JONATHAN ALEXANDER MACKINTOSH	N
ABBAS ALI NASSER	N
AK	Unknown
ALI TURKMAN	N
AMIR MARAVANDI	N
ASHLEY JANE BASTARACHE	N
AUDRY LAROCQUE	N

NAME	Claim Filed
BB	Unknown
C	Unknown
CHRISTIAN THOMAS TRUCHESS RUEDA	N
CHRISTOPHER AARON GOOD PILIPENKO	N
COSMIN FILIP IONESCU	N
DANIL PLATONOV	N
E	Unknown
EV	Unknown
GARY LEE SNELL	N
HASSAN BAZ	N
HAYLEE VICTORIA FOY	N
Henry Ulaszonek	N
J	Unknown
Jeff	Unknown
JOON HWAN MOON	N
LUIS MANUEL FIDALGO	N
S WARDELL NUTTLEY STEPHANIE	N
STEPHEN J GISON	N
THOMAS RAKOVITIS	N
WENDY DUGAS	N

District of Alberta
Division No. 02 - Calgary
Court No. B301-223290
Estate No. 25-3223290

Voting Summary

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

Insolvency Date: 14-May-2025

Estate Number: 25-3223290

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	95	79	16	2,221,798.06	850,948.88	83.16	16.84	72.31	27.69	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	AKSHAY CHOUDHARY	U	4586	2,421.87		For
	ALESSANDRO STEFANO TIRONE	U	3511	29,942.74		Against
	ALEX J MITCHELL	U	6559	1,377.50		For
	ALEXANDRE STINES	U	12518	14,717.89		Against
	AMRENDER SINGH BHATTI	U	10762	5,760.27		Against
	ANASTASIYA DEHTYAROVA	U	11333	815.51		For
	ANDREW J HOCULIK	U	6894	32,042.86		Against
	ANDY AODISHO	U	17175	10,372.00		Against
	ANITA LUCIA BRIGGS	U	6197	3,085.00		For
	ANITA MARVA ALLUM	U	19668	5,625.23		For
	ANNA LOUISE CIPOLLONE	U	17345	288,997.42		Against
	ARMIN NURKIC	U	13904	337.96		For
	BEHDIN NOWROUZI KIA	U	10170	6,887.51		For
	BENJAMIN FRANCIS MACINNIS	U	3104	5,067.15		For
	BINH QUOC HUNG LE	U	16959	258,975.23		Against
	BRADEN CARTER GANETSKY	U	15556	30,335.59		For
	BRADLEY FURLAN	U	12490	18,339.87		Against
	BRANDON TYLER NELSON	U	7123	798.25		For
	BRANDY JO BROUILLETTE	U	3777	37,109.21		For
	BRIAN LOOS	U	11526	91,249.97		For
	CAMERON FRANCIS WAITE	U	7104	31,605.02		Against
	CARLA NFONO OBAME	U	6138	230.59		Against

List of creditors

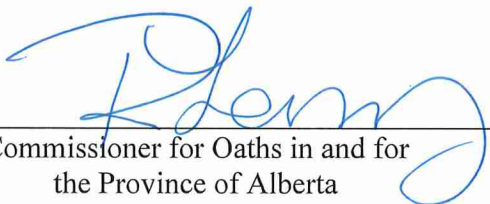
<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	CARTER JOHNSON NOBLE	U	10402	2,296.53		For
	CHASE JEFFREY	U	11918	13,131.41		For
	SHYMKIW					
	Christopher Buis	U	10955	97,969.96		For
	CHRISTOPHER SHAWN	U	10249	3,090.88		For
	DAVID KELLY					
	CLANDRO C CAUTILLO	U	7516	1,803.24		For
	COBY MICHAEL FRISSELL	U	6194	11,778.70		For
	DAPHNE ELAINE FORD	U	9995	46,396.66		For
	DAVD ADAMS	U	10523	19,459.51		For
	DAVID HENRY BLAIR	U	9567	106,380.62		For
	DAVID JOHN CAMPBELL	U	12048	50,207.28		For
	DONNA DIXON	U	7732	70,769.56		For
	DREW MICHEAL	U	6619	23,649.89		For
	DZIADYK					
	DUSTIN JOHN	U	6447	4,980.21		Against
	MORISSETTE					
	DYLAN BRIAN	U	14821	9,319.57		For
	HOULIHAN					
	EL ZID TABUZO	U	6232	24,850.00		For
	ELIE JOSEPH	U	7074	14,270.99		For
	ABOUMOUSSA					
	EVAN T HILL	U	14719	19,242.50		For
	FILIP STERPINSKI	U	9321	22,214.39		For
	FRANCESCO DI TELLA	U	14624	70,783.91		For
	FREDERIK L HEUREUX	U	12810	28,660.33		Against
	Geoffery Smail	U	2962	50,022.46		For
	GEOFFREY IAN SMART	U	7199	80,735.98		For
	GLEN CHARLES HALLS	U	19652	69,166.80		For
	GLENISHA DUCILLE	U	6736	5,643.92		For
	GRACE PAULINE CAPAR	U	14126	9,141.18		For
	GREGORY MICHAEL	U	14536	19,626.77		For
	BRANDFORD					
	GUILLAUME HANS	U	15884	6,661.14		For
	HARRISON FENN	U	7440	55,461.32		For
	HIN MINE DAVID TANG	U	10537	11,009.71		For
	ISLAM GAMAL ALI	U	14203	2,943.43		For
	SHEHATA					
	JASON KOLCUN	U	13742	9,046.74		For
	JESSE GARRETT K	U	4395	50,804.44		For
	WALPER					
	JESSE LARIVIERE	U	12243	8,137.83		For
	Joel Murray	U	15704	8,204.45		For
	JOHN KENNETH WRIGHT	U	17439	95,386.02		Against
	MUNRO					
	JULIEN MURDACA	U	12601	7,917.19		Against
	GAUTHIER					
	KELLY ANNE MCRAE	U	17415	9,136.79		For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	KYLE STUART ANDERSON	U	7044	17,611.95		For
	LEVI DANIEL DZIADYK	U	11907	18,267.72		For
	LUKE CHARLES FORD	U	6473	5,696.60		For
	MARCO DIFELICE	U	11236	15,100.23		For
	MARIE J JAKMAKIAN	U	3676	20,000.00		Against
	MARK GARFIELD CAMPBELL	U	12581	7,352.78		For
	MARYANN J STERLING	U	11590	1,193.15		For
	MAX BISCHOF	U	13679	111,467.62		For
	MICHELLE ELAINE DOOLITTLE	U	6199	6,732.46		For
	NATHAN E YEAGER	U	10352	19,797.66		For
	NICHOLAS LEE SCHMIDT	U	9811	12,898.78		For
	OLUF PETER ANDERSEN	U	10494	7,921.63		For
	PAMELA GAY DAWKINS	U	2141	566.70		For
	PAUL GEORGE COPE	U	17414	19,121.10		For
	PETER A CAPAR	U	12468	45,068.61		For
	PHILIP ANDREW TARASIEWICZ	U	12259	44,128.13		For
	POH CHOO LEONG	U	13782	1,448.60		For
	PUYAN ZADEH	U	13719	5,420.96		For
	QINYI ZHOU	U	15910	2,162.69		For
	RAVINDER SINGH KAJLA	U	13032	32,924.11		For
	ROCK BOSSE	U	7500	105,132.01		For
	RYAN DOW HOPPS	U	15020	132,218.92		For
	SAFIULLAH MOKHTARI	U	10539	1,220.01		For
	SEMION LAZAREV	U	11870	3,416.82		For
	SHELLEY ROBYN JONES	U	7533	52,713.50		For
	SHERRI LYNN WOOLFREY	U	7554	269.20		For
	STEPHEN VICTOR TARASIEWICZ	U	7269	38,320.98		For
	TOMMY DEMERS	U	7690	7,707.17		For
	VADIM GOLOUBEV	U	6239	174,134.85		For
	VAHID DAGHIGHI SADEGH	U	7389	12,500.00		For
	VINEET JAMES NEOGI	U	6034	3,021.24		Against
	Warren Scott Leblanc	U	15524	2,123.31		For
	YANIV YOSEF ZADKA	U	16794	2,582.55		For
	YANNICK HAUPTMANN	U	7408	5,204.52		For
	YULIY GERMAN	U	19285	94,156.06		For
	YVES NERON	U	6536	26,747.37		For

* Some or all of secured amount shown has been excluded from voting

This is **Exhibit C** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

District of: Alberta
Division No. 02 – Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

In the Court of King's Bench – Judicial District of Calgary.

In the matter of the proposal of CatalX CTS Ltd., a debtor.

Take notice that an application will be made to the court at the Calgary Courts Centre, 601 5th Street SW Calgary AB T2P 5P7, on the 20th day of June, 2025, at 2:00 PM (MST) to approve the proposal of CatalX CTS Ltd., accepted by the creditors at a meeting held on the 2nd day of June 2025.

Further be advised the application will be made in person.

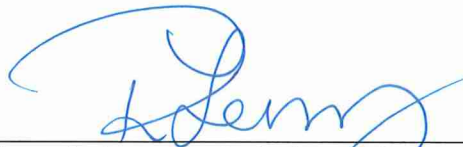
Dated at the City of Calgary in the Province of Alberta, this 6th day of June, 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee



700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Email: calglaryrs@deloitte.ca

This is **Exhibit D** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz

Commissioner for Oaths

in and for the Province of Alberta

My commission expires on November 19, 2026

District of: Alberta
Division No. 02 – Calgary
Court No. B301-223290
Estate No. 25-3223290

FORM 40.1
Amended Notice of Hearing of Application for Court Approval of
Proposal (Paragraph 58(b) of the Act)

In the Matter of the Proposal of
CatalX CTS Ltd.
of the City of Calgary, in the Province of Alberta

In the Court of King's Bench – Judicial District of Calgary.

In the matter of the proposal of CatalX CTS Ltd., a debtor.

Take notice that an application will be made to the court at the Calgary Courts Centre, 601 5th Street SW Calgary AB T2P 5P7, on the 20th day of June, 2025, at 2:00 PM (MST) to approve the proposal of CatalX CTS Ltd., accepted by the creditors at a meeting held on the 2nd day of June 2025.

Further be advised the application will be made in person.

Dated at the City of Calgary in the Province of Alberta, this 9th day of June, 2025.

Deloitte Restructuring Inc. – Licensed Insolvency Trustee

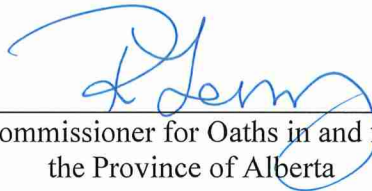


700 Bankers Court, 850 – 2nd Street SW
Calgary, AB T2P 0R8
Email: calglaryrs@deloitte.ca

To appear by video via Webex

Virtual Courtroom # 60
<https://albertacourts.webex.com/meet/virtual.courtroom60>

This is **Exhibit E** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

COURT/ ESTATE FILE NUMBER 25-3223290

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

Clerk's Stamp

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.

APPLICANT

DELOITTE RESTRUCTURING INC.

DOCUMENT

APPLICATION (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

NOTICE TO RESPONDENT: See Service List attached as Schedule "B" to this Application

This application is made against you. You are a Respondent.

You have the right to state your side of the matter before a master/judge.

The application will be heard as shown below:

DATE:	<u>June 20, 2025</u>
TIME:	<u>2:00 PM</u>
WHERE:	<u>Calgary Courts Centre and via Webex</u>
BEFORE WHOM:	<u>The Honourable Justice R.A. Neufeld</u>

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as the proposal trustee (Deloitte in such capacity, the "**Proposal Trustee**") of Catalx CTS Ltd. ("**Catalx**" or the "**Corporation**") respectfully seeks an Order substantially in the form attached as **Schedule "A"** (a "**Proposal Approval Order**"):
 - (a) if necessary, declaring that the time for service of this Application and supporting materials is valid, that the time therefore be abridged to the time actually given, that this Application is properly returnable today, and that further service of the Application is dispensed with;
 - (b) pursuant to sections 58 and 60(5) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"), approving and sanctioning the proposal dated May 12, 2025 (the "**Proposal**") made by Catalx to its creditors;
 - (c) approving the actions, conduct and activities of the Proposal Trustee, the professional fees and disbursements of the Proposal Trustee and its legal counsel all as further set forth in the Report of the Trustee on the Proposal (the "**Trustee's Report**") and discharging and releasing the Proposal Trustee upon the completion of the implementation of the Proposal; and
 - (d) such further and other relief as may be sought by the Proposal Trustee and this Honourable Court may deem appropriate.

Grounds for making this Application:

Procedural Background

2. On January 19, 2024, Deloitte was appointed as receiver and manager over, among others, Catalx;
3. On or about April 2025 Jae Park, the sole director of the Corporation, indicated his intention to sponsor a Division I Proposal pursuant to the *BIA*.
4. On May 14, 2025 Catalx filed a the Proposal pursuant to the *BIA* and Deloitte was appointed as its Proposal Trustee.

5. On May 15, 2025, the Proposal Trustee provided Catalx's known creditors with notice of a Meeting of Creditors to be held on June 2, 2025. This notice included:
 - (a) a copy of the Proposal;
 - (b) the Proposal Trustee's report on the Proposal;
 - (c) Catalx's statement of affairs as at May 12, 2025;
 - (d) a form of proof of claim; and
 - (e) a voting letter and proxy form.
6. On June 2, 2025, a Meeting of Creditors was held and the Proposal was accepted by the required majority of Catalx's creditors.
7. On June 5, 2025, Deloitte issued a Notice of Hearing of Application advising Catalx's known creditors that an Application would be heard on June 20, 2025 requesting that the Court grant the Proposal Approval Order.

The Proposal

8. If approved, the Proposal will, among other things:
 - (a) enable the Corporation to continue its business as a going concern;
 - (b) issue a distribution to the Corporation's unsecured creditors (the "**Unsecured Creditors**") on a pro-rata basis in satisfaction of their unsecured claims; and
 - (c) effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims.
9. As set forth in greater detail in the First Report, the Proposal Trustee determined that the recovery that the Unsecured Creditors would obtain if the Proposal was accepted and approved would be superior to what they would stand to receive in the context of a bankruptcy (i.e. \$0).

10. The Proposal Trustee respectfully submits that the Proposal is made in good faith, the terms thereof are reasonable under the circumstances, and are calculated to benefit the general body of the Corporation's creditors, and the Proposal should therefore be approved by this Court.

Approval of Proposal Trustee's Actions, Fees and Disbursements

11. Once the Proposal is implemented, the within proceedings will be complete.
12. The actions of the Proposal Trustee have been fair and reasonable, and as such, it is prudent for the Court to approve them and provide a mechanism to wind down these proceedings without the need for a further Court application once the Proposal is implemented.
13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

14. All pleadings and proceedings filed in the within action.
15. The Trustee's Report.
16. The proposed form of Order.
17. The inherent jurisdiction of this Honourable Court to control its own process.
18. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

19. The *Alberta Rules of Court*, AR 124/2010, as amended.
20. The *Bankruptcy and Insolvency Act General Rules*, CRC, c 368.

Applicable Acts and regulations:

21. The *Bankruptcy and Insolvency Act*, as amended.
22. Such other Rules, Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

23. None.

How the Application is proposed to be heard or considered:

24. Before Justice R.A. Neufeld on the Commercial List.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the materials to the Applicant.

SCHEDULE "A"

Draft Order

See Attached

COURT/ ESTATE FILE NUMBER 25-3223290

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

Clerk's Stamp

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.

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 [•], sworn June [•], 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

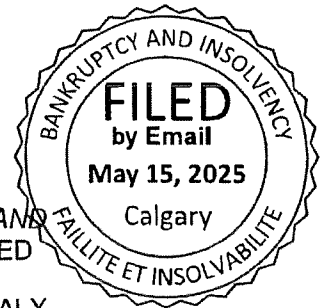
COURT OF KING'S BENCH OF ALBERTA

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 fulfilment 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 / naomcmgregor@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 the 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.

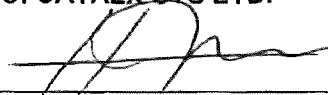
10.12 Deeming Provisions

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

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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

- 18 -

Schedule "A"

Crown Claims

Nil.

Schedule "B"
Preferred Creditors

Nil.

- 20 -

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

Clerk's Stamp:

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

- 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:

SCHEDULE "B"

Service List

See Attached

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
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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

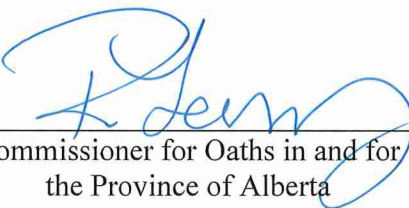
INTERESTED PARTIES		
BFL CANADA RISK AND INSURANCE SERVICES INC. 1177 West Hastings Street, Suite 200 Vancouver, British Columbia, V6E 2K3, Canada Kora Paciorek Tel: 236.202.0003 Email: kpaciorek@bflcanada.ca	Email	Insurance Broker to the Applicant
KISSEL STRATON & WILMER LLP 580 White Plains Road, 5th Floor Tarrytown, New York 10591, United States of America Cynthia Kelly Email: ckelly@kswlaw.com Meridith A. Coleman Challender 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; jsouza@millerthomson.com; aprased@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; dlegety@bdplaw.com; 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@i3solution.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 F** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

COURT/ ESTATE FILE NUMBER 25-3223290

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

Clerk's Stamp

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.

APPLICANT

DELOITTE RESTRUCTURING INC.

DOCUMENT

BRIEF OF ARGUMENT OF THE PROPOSAL TRUSTEE
(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

Hearing before the Honourable Justice R.A. Neufeld
on the Commercial List, on June 20, 2025, commencing at 2:00 P.M.

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I. INTRODUCTION

1. This Brief is submitted on behalf of the Deloitte Restructuring Inc. ("**Deloitte**") in its capacity as the proposal trustee (Deloitte in such capacity, the "**Proposal Trustee**") of Catalx CTS Ltd. ("**Catalx**" or the "**Corporation**") in support of an order (the "**Proposal Approval Order**") approving and sanctioning a proposal to the Corporation's creditors dated May 12, 2025 (the "**Proposal**") pursuant to sections 58 and 59 of the *BIA*.¹
2. Capitalized terms not otherwise defined in this brief have the meaning ascribed to them in the Proposal.²

II. BACKGROUND AND CHRONOLOGY

3. Catalx operated an internet-based platform for the trading of crypto assets, which enables customers to buy, sell, hold, deposit, and withdraw crypto assets such as Bitcoin, Ethereum, and anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token (collectively, "**Crypto**").³
4. On January 19, 2024, Catalx was placed into receivership (the "**Receivership Proceedings**") upon the application of Catalx and Hyuk Jae Park, one of the directors of Catalyx, and Deloitte was appointed as receiver (Deloitte, in such capacity, the "**Receiver**").
5. Further details of the Receivership Proceedings can be found in the Receiver's First Report, filed May 21, 2024 and the Receiver's Second Report dated June 6, 2025.
6. On May 14, 2025, the Corporation filed the Proposal pursuant to section 50 of the *BIA*, and Deloitte consented to act as Proposal Trustee.⁴
7. On May 15, 2025, Deloitte provided the Corporation's known creditors with notice of the Creditors' Meeting to be held at 2:00pm on June 2, 2025 via Teams videoconference.⁵

¹ *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") [Tab 1].

² The Proposal (the "**Proposal**") is appended at Appendix "A" to the Report of the Trustee on the Proposal (the "**Second Report**").

³ Proposal Trustee's Report to Creditors dated May 14, 2025 (the "**First Report**"), at section 1.

⁴ *Ibid.*

⁵ *Ibid.*

8. At 2:00 pm on June 2, 2025, the Creditors' Meeting was convened, and the Proposal was accepted by the required majority of the Corporation's creditors.⁶
9. On June 5, 2025, Deloitte issued a Notice of Hearing of Application for Court Approval of Proposal (the "**Notice of Hearing**") advising the Corporation's known creditors that an Application would be heard at 2:00pm on June 20, 2025 requesting that the Court grant the Proposal Approval Order.

III. TERMS OF PROPOSAL

10. At a high level, the primary objectives of the Proposal are to:⁷
 - (a) allow Catalx to effect the restructuring of its indebtedness that would allow all Unsecured Creditors to derive greater benefit than they otherwise would receive from a bankruptcy;
 - (b) issue the Cash Pool to the Unsecured Creditors on a pro-rata basis in satisfaction of their Unsecured Claims; and
 - (c) effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims.
11. The Proposal Trustee has determined that the recovery the Unsecured Creditors under Proposal is superior to what they would receive in the event of a bankruptcy of the Corporation, in which case no recovery by the Unsecured Creditors would be expected.⁸
12. The Proposal provides for the release of the Corporation's Directors, but as required by s.50(14) the Directors are not released from any Liabilities that:⁹
 - (a) relate to contractual rights of one or more Creditors arising from contracts with such Director; or
 - (b) are based on allegations of misrepresentation made by such Director or on wrongful or oppressive conduct by such Director.

⁶ Second Report, at Exhibit "D" (the "**Meeting Minutes**").

⁷ Proposal, at Section 2.1.

⁸ First Report, at para 27.

⁹ Proposal, at sections 10.5 and 10.6, Appendix "B" to the First Report.

13. In the event the Corporation is assigned into bankruptcy, the Corporation's assets will be liquidated pursuant to the requirements of the *BIA*, in which case no recovery by the Unsecured Creditors would be expected. The Proposal Trustee has therefore confirmed that the Proposal is advantageous to the Corporation's creditors and has recommended that the Court approve the Proposal and grant the Proposal Approval Order.¹⁰

IV. CREDITORS' MEETING

14. The Creditors' Meeting (the "**Creditors' Meeting**") was called and duly convened virtually via Microsoft Teams at 2:00pm on June 2, 2025.¹¹ At the Creditors' Meeting, the Proposal was accepted by creditors representing 79% in number and 68% in dollar value of those creditors with proven claims who attended and voted at the Creditors' Meeting (or voted prior to the meeting).¹² These acceptance percentages satisfied the Requisite Majority (defined below) under the *BIA* for acceptance of a proposal by creditors.

V. ISSUES

15. The sole issue to be determined in the application is whether this Honourable Court should grant the Proposal Approval Order pursuant to section 59 of the *BIA*.

VI. LAW AND ARGUMENT

16. Pursuant to section 54(2) of the *BIA*, a proposal is deemed to be accepted by the creditors if it has achieved the requisite "double majority" vote of proven creditors at a duly constituted meeting of creditors (the "**Requisite Majority**").¹³ At the Creditors' Meeting, the Proposal was accepted by the Requisite Majority of the Corporation's creditors.
17. Section 58 of the *BIA* provides that, on acceptance of the Proposal by the Corporation's creditors, the Proposal Trustee was required to:
- (a) schedule this hearing within five days;
 - (b) give at least 15 days' notice of this hearing in the prescribed form to the Corporation's creditors and the Official Receiver;

¹⁰ First Report, at para 27.

¹¹ Meeting Minutes of the First Meeting of Creditors, Exhibit "D" to the Report of the Trustee on the Proposal (the "**Meeting Minutes**").

¹² Meeting Minutes, at para 83.

¹³ *BIA*, at section 54(2)(d) [Tab 1].

- (c) send a report in the prescribed form to the Official Receiver at least 10 days before this hearing; and
 - (d) file such report with the Court two days before this hearing.¹⁴
18. The Proposal Trustee has complied with all statutory requirements that must be satisfied before a proposal is approved, including the requirements set out in section 58 of the *BIA*.
 19. Section 59(2) of the *BIA* provides that the Court shall refuse to approve a proposal accepted by a debtor's creditors where its terms are not reasonable or are not calculated to benefit the general body of creditors.¹⁵
 20. Courts have held that, in order to satisfy section 59(2) of the *BIA*, the following three-pronged test must be satisfied:
 - (a) the proposal must be reasonable;
 - (b) the proposal must be calculated to benefit the general body of creditors; and
 - (c) the proposal must be made in good faith.¹⁶
 21. The first two factors are expressly set out in s. 59(2) of the *BIA* while the last factor has been implied by this Court as an exercise of its equitable jurisdiction.¹⁷
 22. In considering the foregoing factors, courts have generally taken into account the interests of the debtor, the interests of the creditors and the interests of the public at large in the integrity of the bankruptcy system.¹⁸
 23. In doing so, courts have accorded substantial deference to both the majority vote of creditors at a meeting of creditors and the recommendation of the proposal trustee.¹⁹

¹⁴ *BIA*, at section 58 [Tab 1].

¹⁵ *BIA*, at section 59(2) [Tab 1].

¹⁶ *Kitchener Frame, Re*, 2012 ONSC 234 ("*Kitchener Frame*"), at para 19 [Tab 2]; *Wasaya Airways Limited Partnership, Re*, 2016 ONSC 5600 ("*Wasaya*"), at para 37 [Tab 3].

¹⁷ *Kitchener Frame*, at para 20 [Tab 2].

¹⁸ *Kitchener Frame*, at para 20 [Tab 2].

¹⁹ *Kitchener Frame*, at para 21 [Tab 2]; *Abou-Rached, Re*, 2002 BCSC 1022 ("*Abou-Rached*"), at paras 65-66 [Tab 4].

24. If a large majority of creditors (i.e., substantially in excess of the statutory majority) have voted for acceptance of a proposal, it will take strong reasons for a court to substitute its judgment for that of the creditors.²⁰
25. Given that (i) the Requisite Majority of creditors voting at the Creditors' Meeting, both in number and dollar value, voted in favour of the Proposal; (ii) the Proposal Trustee has recommended the approval of the Proposal; and (iii) no strong reasons weigh against the judgment of the Corporation's creditors and the Proposal Trustee, it is submitted that the test for the application of section 59(2) is satisfied.

The Terms of the Proposal are Reasonable

26. With respect to the first branch of the test for sanctioning a proposal, the debtor must satisfy the Court that the proposal is reasonable.²¹
27. What is "reasonable" in this context has been determined to mean that the proposal must have a reasonable possibility of being successfully completed in accordance with its terms. In addition, the proposal must meet the requirements of commercial morality and must maintain the integrity of the bankruptcy system.²²
28. In the present case, the Proposal provides for a distribution to the Unsecured Creditors. The Proposal Trustee advised that the alternative would be that the Unsecured Creditors would likely receive nothing in a liquidation.

The Proposal is Calculated to Benefit the General Body of Creditors

29. Under the second branch of the test for sanctioning a proposal, the Court must be satisfied that the proposal is calculated to benefit the general body of creditors.²³
30. Courts have refused to approve proposals on this basis where, for example, the proposal serves the interest of persons other than the creditors, where there has not been full disclosure of the assets of the debtor and the encumbrances against those assets, or where the proposal, by its terms, is bound to fail.²⁴

²⁰ *Abou-Rached*, at para 66 [Tab 4].

²¹ *Kitchener Frame*, at para 22 [Tab 2].

²² *Abou-Rached*, at para 68 [Tab 4].

²³ *Kitchener Frame*, at para 22 [Tab 2].

²⁴ *Abou-Rached*, at para 78 [Tab 4].

31. None of those circumstances are present in this case. Rather, the Proposal provides for an even-handed distribution to all Unsecured Creditors to accept less than full payment in satisfaction of their claims. In addition, creditors were provided with full and frank disclosure of the terms of the Proposal prior to the Creditors' Meeting and voted in support of the Proposal.
32. The Proposal Trustee submits that the Proposal satisfied the second element of the test for the approval of the Proposal.

The Proposal is Made in Good Faith

33. The last factor with respect to good faith has been implied by the Court as an exercise of its equitable jurisdiction.²⁵
34. The Proposal Trustee has reported that the Corporation have been acting in good faith throughout the within proceedings and that the Proposal will benefit the Corporation's stakeholders generally.
35. In this matter, the Proposal is clearly a better outcome for the Corporation's creditors than a bankruptcy.
36. Finally, the Proposal Trustee notes both the Receivership proceedings and the Proposal proceedings were commenced at the behest of Mr. Park, and as a result it is respectfully submitted that Mr. Park (and the other Participating Directors in the Proposal) have used the mechanisms provided for by the *BIA* to protect the Catalx estate and increase value for proven Creditors.
37. As a result, the Proposal Trustee submits that the Proposal has been made in good faith and should be approved by the Court.

²⁵ *Kitchener Frame*, at paras 20 and 22 [Tab 2]; *Wasaya*, at para 38 [Tab 3].

VII. RELIEF REQUESTED

38. The Proposal Trustee respectfully requests that this Honourable Court grant the Proposal Approval Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 9th DAY OF JUNE 2025.

BURNET, DUCKWORTH & PALMER LLP

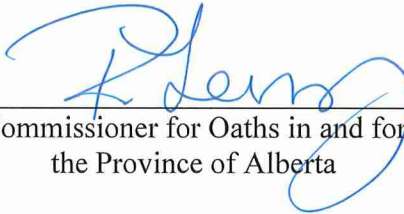
Per: 

David LeGeyt / Jessica MacKinnon
Solicitors for the Proposal Trustee.

LIST OF AUTHORITIES

TAB	DOCUMENT
1.	<i>Bankruptcy and Insolvency Act</i>, RSC 1985, c 8-3
2.	<i>Kitchener Frame</i>, Re, 2012 ONSC 234
3.	<i>Wasaya Airways Limited Partnership</i>, Re, 2016 ONSC 5600
4.	<i>Abou-Rached</i>, Re, 2002 BCSC 1022

This is **Exhibit G** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

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

CATALX CTS LTD. and CATALX MANAGEMENT LTD.

Defendants

P R O C E E D I N G S

Calgary, Alberta
June 20, 2025

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Proceedings taken in the Court of King's Bench of Alberta, Courthouse, Calgary, Alberta

June 20, 2025

Afternoon Session

The Honourable Justice R. A. Neufeld

Court of King's Bench of Alberta

D. LeGeyt

For Deloitte Restructuring Inc.

J. Mackinnon (remote appearance)

For Deloitte Restructuring Inc.

J. Doney (remote appearance)

For Deloitte Restructuring Inc.

J. Reid

For Catalx CTS Ltd. and H. Park

P. Takhar

For Catalx CTS Ltd. and H. Park

N. McGregor

For Deloitte Canada

G. F. Body

For Canada Revenue Agency

(No Counsel)

For S. Wardell (remote appearance)

D. Richardson

Court Clerk

THE COURT:

Good afternoon, everyone. Please have a seat.

MR. LEGEYT:

Good afternoon, Justice Neufeld.

THE COURT:

Just give me one moment, Mr. LeGeyt. All right.

Let's proceed.

MR. LEGEYT:

Thank you, Sir. I will start with some introductions. For the record, LeGeyt, initial D. I act on behalf of Deloitte Restructuring Inc. today in two different capacities, first, as the Receiver Manager of Catalx CTS Ltd. and Catalx Management Inc. (sic) and, secondly, Deloitte, in its capacity as Proposal Trustee of Catalx CTS Ltd.

With me today, by Webex, is my colleague, Ms. Mackinnon. To my left, Mr. Reid and Ms. Takhar --

MR. REID:

Good afternoon.

MR. LEGEYT:

-- acting on behalf of the proposal sponsor, Mr. Park, who is also a director of the Catalx companies. There are representatives of Deloitte here today. Ms. McGregor is in the courtroom and Mr. Doney is attending by Webex. We have a good number of people attending by Webex, who I'll let them introduce themselves. But I do see, for the record, Mr. Body, from Justice Canada is here and I believe he is acting

1 for Canada Revenue Agency.

2
3 If it pleases the Court, I'll run through a quick overview of what is going on today, then
4 speak to service in the materials and then get into the merits.

5
6 **Submissions by Mr. LeGeyt**

7
8 MR. LEGEYT: So there are two applications before you, one in
9 each of the proceedings that I've described. First, the receivership application, and those
10 are the court documents that start with the file number 2401, and that is an application by
11 the Receiver for its discharge. Secondly, there's an application in the proposal
12 proceedings, and those are the court documents that start with 25-3223, and that is an
13 application by the Proposal Trustee for the approval of the proposal, which is before the
14 Court today.

15
16 By way of history, Sir, the Receiver was appointed about a year and a half ago. It was an
17 unusual start to a receivership in that the application was made by Mr. Park and the
18 companies themselves. There was no secured creditor or other creditor that put the
19 companies into receivership and that was sought because the companies' management had,
20 just about a month before, identified a number of financial concerns and, in fact, had
21 reported those to the Alberta Securities Commission and I will get into that in more detail.
22 But -- but that was the origin of the receivership. Now, the receivership has run its course.
23 There is nothing left for the Receiver to do and so the Receiver is seeking its discharge.

24
25 When the Receiver is discharged, or if it is today, then management of the companies will
26 go back to the existing directors and -- who, I believe, is now just Mr. Park. And as those
27 discussions evolved, Mr. Park indicated a desire to facilitate all of that and to clean up
28 Catalx CTS by making a proposal to the creditors of that company under the bankruptcy
29 and insolvency action. And, again, I will get into the details, but the proposal was filed
30 and sent to creditors, the creditors meeting occurred, the vote passed, albeit by a slim
31 margin, which I'll discuss in a moment, and so now the Trustee applies to the Court for
32 approval of the proposal as is required by the *Bankruptcy and Insolvent Act*.

33
34 A quick note -- housekeeping about the order, Sir, I have printed paper copies of the orders
35 which are sought today. Each of them was attached to the application as a schedule.
36 Should you grant different orders, if -- if either application is denied, we will have to go
37 back to the office and have the correct orders typed up, but if both applications are
38 successful, I have orders today.

39
40 So speaking to the materials, Sir, in the receivership proceeding we have filed the
41 application for the discharge of the Receiver and the second and final report of the

1 Receiver. Those were both filed on June 9th. In the proposal proceedings, we have filed
2 an application for the approval of the proposal. Again, the draft order was attached, we
3 have filed the Trustee's report on the proposal and we have a brief and a book of authorities
4 there.

5
6 THE COURT: So I was just going to indicate for the benefit of
7 you, Mr. LeGeyt, and others that I have been through all the materials. I have reviewed
8 the brief - it was very helpful - and read the authorities this morning and --
9

10 MR. LEGEYT: Thank you.

11
12 THE COURT: -- I was involved on the initial receivership
13 application, so --
14

15 MR. LEGEYT: Yes.

16
17 THE COURT: -- I've got some --
18

19 MR. LEGEYT: Yes.

20
21 THE COURT: -- familiarity with this.
22

23 MR. LEGEYT: Thank you. We have filed affidavits of service,
24 one in each action. They both say the same thing that the documents, which I have just
25 described, were sent to the service list on June 9th of 2025. In addition, the -- there's very
26 specific rules of the *Bankruptcy and Insolvency Act*, so for the proposal, the Trustee
27 performs -- or, excuse me, prepares what's called form 40.1 and that is sent to all of the
28 creditors and that has also been sent -- excuse me, posted on the website and it just gives
29 creditors or any interested party the address of the courthouse and the Webex information.
30 So in my respectful submission, service is in order and we ought to proceed today.
31

32 THE COURT: And I'm satisfied that it's in order. Please
33 proceed.
34

35 MR. LEGEYT: Thank you. I will speak first to the application
36 to discharge the Receiver. I believe that should be without controversy and, in my
37 respectful submission, ought to be granted irrespective of whether or not the proposal is
38 approved.
39

40 So the second report contains the details, Sir. I won't go through too much history, but the
41 Receiver was appointed in January of 2024 and that followed Mr. Park discovering the

1 unauthorized transactions in the customer's wallets at Catalx. He made that discovery in
2 December of 2023. He reported that to the Alberta Securities Commission, who I think
3 started an investigation almost immediately and, as far as we know, that investigation
4 continues. But the Receiver was appointed about a month later, in January of '24, and
5 again on the application of Mr. Park and the companies.

6
7 The Receiver's activities are set out starting at paragraph 23 of the second report, on page
8 3. They are exactly, in my respectful submission, what the Court would expect to see in a
9 case like this. The Receiver has continued and concluded its review of the block chain and
10 other transactions, of course, corresponding with management and customers and creditors
11 and other stakeholders throughout the proceedings. We communicated with Mr. Lee
12 (phonetic) - and that is the other director who absconded - through his counsel only,
13 attempting to get information on books and records and other property of the companies.
14 Eventually, Mr. Lee made a payment of crypto currency to the Receiver in the amount of
15 about \$23,000.

16
17 The Receiver's cooperated with the ASC and numerous dealings with Bittrex. Bittrex was
18 the platform where the wallets were posted and over the course of the proceedings, Bittrex
19 transferred about \$179,000 to the Receiver. And then there's more mundane or everyday
20 activities such as dealing with CRA, the *Wage Earner Protection Program Act* and things
21 like that.

22
23 There's more detail on the variation of the orders with ASC to allow those funds to be
24 transferred. There was a -- quite a curious and interesting development just a few months
25 ago with the CRA when the Receiver was notified that a T4 slip had been filed for the '24
26 tax year, which doesn't make any sense because the Receiver was in charge for the entire
27 year. But Mr. Lee did that and so we had to deal with CRA on that topic and we have done
28 so.

29
30 And much more recently, when -- when we told Mr. Park that the receivership was coming
31 to an end, he started these discussions about the proposal, and that commences at paragraph
32 35 of the Receiver's report. The -- from the Receiver's perspective, perhaps the most
33 pertinent part of the proposal is that any funds left in the receivership estate, should you
34 grant the orders today, will be transferred to the Proposal Trustee. We expect that that is
35 about \$96,000. But for the proposal, that \$96,000 would be returned to Mr. Park who
36 funded the receivership proceedings. But through the proposal, Mr. Park has agreed that
37 those funds can go to the Proposal Trustee.

38
39 We -- the report talks about the professional fees which we seek approval of. The details
40 are all there, but the -- the headline number is for the Receiver, \$272,000; for its counsel,
41 about \$145,000. Happy to take any questions about that if you are so inclined.

1
2 So to -- to wrap up the Receiver's application, Sir, clearly, we're down to the small
3 administrative parts of the receivership. There -- there's nothing more for the Receiver to
4 do, nor are there funds in the estate to do more. It makes sense to return the company to
5 Mr. Park -- and you'll hear from his counsel about some of his plans as -- as they may be,
6 today, for that. I don't believe there is any controversy with respect to the discharge of the
7 Receiver.

8
9 So -- so I imagine we've come to a fork in the road. I could let others speak to this
10 application or I could make the second application concerning the proposal. I tend to think
11 it makes sense to -- for me to keep going, but I'm in your hands, Sir.

12
13 THE COURT: No. That's fine. I think, given the number of
14 people that are observing, let's get your submissions on both --

15
16 MR. LEGEYT: Okay.

17
18 THE COURT: -- and then I'll --

19
20 MR. LEGEYT: Okay. Thank you.

21
22 THE COURT: -- do the circuit here.

23
24 MR. LEGEYT: So the proposal is filed under the *Bankruptcy and*
25 *Insolvency Act*. It -- it contains very specific legislative provisions and rules as to who is
26 to what and when, and in particular, section 58 of the Act requires the Trustee to apply to
27 the court for approval of a proposal if it is approved by the creditors at the creditors
28 meeting. And so it is the Trustee who makes this application, as opposed to the debtor
29 company.

30
31 I'll start with the economics of the proposal, Sir, and -- and I will do that in contrast to what
32 we expect to happen in a bankruptcy, or what would happen. And the bankruptcy result is
33 quite easy. There's nothing for any creditors in a bankruptcy and that is because the --
34 again, the funds in the receivership, if the proposal fails, would be returned to Mr. Park and
35 then Catalx would be a bankrupt entity with no assets.

36
37 In contrast, the proposal describes three sources of funding, first, the residue of the
38 receivership. Again, we expect that would be about \$95,000. Second, \$210,000 from the
39 participating directors, that gets us to \$305,000. Third, any recoveries from the Alberta
40 Securities Commission, the RCMP or otherwise from actions against Mr. Lee, within the
41 next 6 months. So we have the \$305,000, plus any recoveries.

1
2 Ms. McGregor and I did some arithmetic earlier. In round numbers, Sir, there's about \$4.7
3 million of proven claimants. When we do a pro rata distribution of \$305,000 to them, that's
4 about a 4.6 percent recovery. Now, couple of variables there. It's 4.6 percent before
5 proposal costs of the Trustee, so it will come down a bit and that does not include any
6 potential recoveries from Mr. Lee. So, in theory, it could grow. But in any analysis, the
7 4.6 percent is -- is much better than zero, in my respectful submission.

8
9 The creditors meeting occurred as required by the Act on June 2nd of this year. It was
10 chaired by the Office of the Superintendent of Bankruptcy. I wasn't there, but others were,
11 including Ms. McGregor. It was -- it was heated, Sir. It was very well attended. The
12 creditors of Catalx are very upset, to say the least. They have lost the entirety of their
13 investment, looking at a recovery of only 4.6 percent. The Trustee has great sympathy for
14 them, but nonetheless, there was -- there was a lengthy meeting and it was heated.

15
16 Quite a lot of discussion in the meeting occurred about the director and officer release,
17 which is in the proposal. So I'm going to dwell on that for just a moment. First of all, Mr.
18 Lee is excluded from the release. Second of all, it is a limited release. The section 50(14)
19 of the BIA, first of all, it allows for a proposal to give the directors a limited release, but
20 then the provision specifically says the release cannot apply to claims based on
21 misrepresented -- misrepresentation, wrongful conduct or oppressive conduct. So the
22 proposal carves those things out of the release, as does the BIA and as does the order which
23 is sought today.

24
25 So if creditors want to commence an action against Mr. Lee or any other director for
26 wrongful or oppressive conduct, they have the right to do that. You may hear about that
27 today and so I wanted you to understand that the -- those rights are preserved.

28
29 THE COURT: What's the scope of wrongful conduct? Does
30 that include negligence or is that intentional conduct of a nefarious nature?

31
32 MR. LEGEYT: I'm going to have to find my brief. I don't
33 believe we have that level of detail.

34
35 MR. REID: I do know --

36
37 THE COURT: Mr. Reid?

38
39 MR. REID: -- Sir, that wrongful is not a capitalized term, so
40 I'm certain that creative lawyers could use that as it would to maybe bring in a negligence
41 claim from that. I've got a copy of the provision if you'd like to see that, Sir.

1
2 THE COURT: No. I've seen it. I've seen it, but I guess we also
3 get into the French translation, as well, right? Okay.
4

5 MR. REID: But I -- I haven't done the research on that point
6 specifically, Sir.
7

8 THE COURT: Thank you.
9

10 MR. LEGEYT: Oh. Turning about -- sorry, staying at the
11 meeting, Sir. After considerable discussion, the vote was taken, it did pass the required
12 statutory double majority. In particular, 76 of -- 76 percent of the creditors by number
13 voted in favour of the proposal. The BIA threshold is 50 percent. By value, 68 percent of
14 the creditors voted in favour. The BIA threshold is 2/3, which is 66.6 percent. So while
15 we -- we have a healthy margin by number, it is very, very close by value.
16

17 On that point, my respectful submission would be that Parliament has chosen where to
18 draw the line. In this case, the proposal did pass that line, barely, but in my respectful
19 submission, we should -- we should give effect to the line that Parliament has chosen and
20 recognize that this proposal has passed that part of the Act.
21

22 The -- there's a statutory and common law test for the Court for the hearing before you
23 today. There are three parts of that -- three sub parts to that test. First, the proposal must
24 be reasonable. Second, it must be calculated to benefit the creditors, generally. And third,
25 it must be put forward in good faith. The Proposal Trustee submits that all three subtests
26 are passed. The proposal is reasonable. It is -- it, you know, in a standard form, it does
27 move the needle from zero percent to about 4.6 percent.
28

29 I would recall for the Court that it was Mr. Park who started the receivership. It was Mr.
30 Park whose idea it was to do the proposal and he was able to get other directors or former
31 directors to participate, as well. They have done that to deliver some value to the creditors
32 and to preserve Catalx, the company, so that it may continue in business, perhaps in the
33 future, perhaps pursue actions against Mr. Lee in the future. My friend, Mr. Reid, may
34 speak more to that. So, in our respectful submission, the proposal is reasonable.
35

36 Secondly, the proposal must be calculated to benefit the creditors generally. Here, we have
37 one class of creditors, it's the unsecureds. They have voted as -- in excess of the statutory
38 requirements. Again, the needle has moved from zero percent to 4.6 percent and is
39 significantly better, in my respectful submission, than the alternative of a bankruptcy. And
40 so, in our respectful submission, the second element of the test is passed, as is the third.
41 There is good faith here. There is no evidence of bad faith. The directors didn't have to

1 do this. Mr. Park, in particular, has stuck around for a year and half. He could have -- he
2 could have simply put the company into receivership and walked away on to other ventures,
3 but he has worked with the Receiver and has now chosen to sponsor this proposal with the
4 other directors. So subject to any questions, those were our specific submissions.

5
6 I'll -- I'll perhaps make some peremptory submissions on what may come to the Court over
7 the Webex. There are high emotions here, Sir, and the Trustee and the Receiver have great
8 sympathy for the victims in this case. Nonetheless, this is a court of law and submissions
9 should be based on the evidence before the Court and they should be based on the relevant
10 elements of the test. There was some accusations at the meeting that Deloitte was
11 incompetent or doing things incorrectly. I will respond to the submissions that I hear, but,
12 frankly, you should not entertain those at all. The Trustee and the Receiver, you know,
13 Deloitte is a first-rate world class organization and the people working on this file have
14 been doing this for decades and there's no evidence of any wrongdoing by Deloitte.

15
16 So in our respectful submission, both orders should be granted and I'm happy to take any
17 questions or respond to other submissions.

18
19 THE COURT: You said that there might be additional funding
20 forthcoming -- or funds forthcoming at some point and I did note some discussion had
21 taken place regarding the extent to which any of these losses are insured. What's the status
22 of that?

23
24 MR. LEGEYT: I think there is no insurance that responds to this,
25 Sir. So --

26
27 THE COURT: Okay.

28
29 MR. LEGEYT: -- I recall that or being told about that. I wasn't
30 at the creditors meeting, but that did come up and the answer is we -- had there been
31 insurance, we would have pursued it, but there is none.

32
33 THE COURT: All right. And how did the directors come up
34 with the number \$210,000? Did they just decide what they could each afford to kick in or
35 was there some other metric used?

36
37 MR. LEGEYT: I think it's the former, Sir. I think this is what
38 they decided to do. I can't -- I'm not aware of any arithmetic that went into it.

39
40 THE COURT: All right. But what they're receiving in return is
41 a release --

1
2 MR. LEGEYT: Yeah.

3
4 THE COURT: -- right?

5
6 MR. LEGEYT: Yeah.

7
8 THE COURT: All right. Okay. Thank you. Mr. Reid, I'm
9 going to go next, to you.

10
11 **Submissions by Mr. Reid**

12
13 MR. REID: Thank you, Sir. Maybe I'll just respond to the -
14 - your questions first that you put to Mr. -- my friend, Mr. LeGeyt.

15
16 The first is with respect to the case law on what's wrongful conduct, what does that
17 include? And I'm just referring to the Ontario Superior Court case of *Atlas DeWatering*
18 *Corporation v. Blanchard*, which is a -- I'll give you the citation, 2024 ONSC 4217, and it
19 appears at paragraphs 20 through 23 that it's generally a question of fact and a court would
20 consider whether wrongful conduct occurred by taking into account what knowledge a
21 person possessed or should have possessed or have imputed on them as to whether or not
22 it represents a misrepresentation or a wrongful conduct.

23
24 THE COURT: Okay.

25
26 MR. REID: I hope that assists.

27
28 THE COURT: So there's an objective test implied as -- or
29 implied in that passage as to whether they met a standard of care that would have been
30 expected; is that right?

31
32 MR. REID: Yes, Sir.

33
34 THE COURT: All right.

35
36 MR. REID: And then with respect to the question about the
37 \$200,000 -- 210, where did that come from? It's 200 of it is from Mr. Park himself, 10,000
38 from other participating directors.

39
40 THE COURT: Okay.

1 MR. REID:

2 Basically, it's the -- kind of the limit as to what
3 Mr. Park could further borrow to put to -- put to the creditors. As you can imagine, he is
4 devastated like everybody else. He lost, I believe, 5 Bitcoin in the process. He also had
5 many friends and family involved with -- with the company and so that's why he's not
6 walking away, Sir. He -- he wanted to take some ownership with it and he has had to
7 borrow money, as you are aware, to support this process, including the engagement of
8 Deloitte and the appointment of the Receiver.

9 So it's understandable that there are disgruntled customers, Sir, who oppose the proposal,
10 in particular, the releases. But I do want to point out that in Mr. Park's January 10th
11 affidavit, beginning at paragraph 22, which was the affidavit that was sworn in support of
12 the appointment of the Receiver, Mr. Park caused Catalx to engage Deloitte to provide an
13 independent and impartial forensic investigation, as well as to try to trace the
14 cryptocurrencies that were supposed to be held by Catalx for its customers. He also caused
15 the companies to retain Deloitte Restructuring to appoint the Receiver to assist in the
16 pursuit and recovery of the crypto assets. And in doing so, Mr. Park has borrowed and
17 spent around a million dollars of his own money to get to the bottom of the lost crypto
18 assets.

19
20 The results of the independent investigation shows that the missing crypto assets were the
21 result of one bad actor, that is Catalx's former director and CFO, Jae Ho Lee (phonetic),
22 who is obviously carved out from the release that we are seeking. And now Mr. Park is
23 putting in additional money and to also -- foregoing any recoveries from the funds that the
24 Receiver was able to obtain from the Bittrex account, as well as from Mr. Lee.

25
26 So keeping this in mind, I want to point out that section 50(15) of the BIA provides that a
27 claim against directors should not be compromised where it is not just and equitable. In
28 my view, based on these facts, we think that the release is just and equitable, but we also
29 think that it is proportionate. As Mr. LeGeyt pointed out, the proposal grants Mr. Park and
30 other participating directors with a release, but there is a carveout for misrepresentation,
31 wrongful conduct - and we looked at that - that there's an objective component as well as
32 oppressive conduct. And we think that this is important because these are actions that
33 Catalx may have against former directors, such as Mr. Lee, should it later be -- or any other
34 director, should it later be found out that there were other participating parties in the fraud.

35
36 The last point that I want to make, Sir, for the Court but also for the -- some of the
37 disgruntled customers, which is we think that the proposal has another benefit. Mr. LeGeyt
38 notes that the customers will receive some material value for their claim, but there is
39 another benefit of having Catalx out of a bankruptcy proceeding and that's the fact that if
40 there are any claims or causes of action against directors, including Mr. Lee, these might
41 be derivative actions or other claims that Catalx itself would have and it would therefore

1 be Catalx that would be pursuing these claims against Mr. Lee. And that's one of the
2 intentions of being able to exit these proceedings and have Mr. Park be able to step back
3 in and take over, is that he -- we could then bring a cause of action against that particular
4 director.

5
6 If it were -- if Catalx were to go in to bankruptcy, however, there would be a bankruptcy
7 trustee put in. We don't know if there would be resources for the bankruptcy trustee to
8 pursue an action on its own. So this would then require customers to go through a section
9 38 action, which is additional expense and logistical issues.

10
11 THE COURT: For the benefit of people that are listening in, can
12 you tell me what a section 38 application is?

13
14 MR. REID: Yes, Sir. So is -- what section 38 of the
15 *Bankruptcy and Insolvency Act* provides is that if there may be a cause of action by the
16 bankrupt company, that a trust -- that could be an asset of the estate that a bankruptcy
17 trustee may want to pursue, if there aren't enough funds or resources or if the bankruptcy
18 trustee does not have instructions from (INDISCERNIBLE) to pursue that claim, is what
19 it allows creditors of the estate to do is to step into the shoes of the bankruptcy trustee to
20 pursue that action.

21
22 THE COURT: Right.

23
24 MR. REID: But --

25
26 THE COURT: And can you explain, again for the benefit of
27 people that are online, what a person bringing an action under section 38 can do by way of,
28 for example, examination of other parties that they might not be able to do themselves.

29
30 MR. REID: Yes, Sir. I believe I'll do my best to do that. It's
31 been a little while. But the section 38 would allow participating creditors to step into the
32 shoes of the trustee, who could then examine directors, officers or any interested parties by
33 providing notices to attend and, of course, those that are taking those steps would apply to
34 the Court to get the section 38 order, but they would also be funding all those steps
35 themselves.

36
37 THE COURT: Okay. Thank you.

38
39 MR. REID: Thank you, Sir. The -- the reason I want to bring
40 this up is we do -- we did talk about the benefits of the proposal to the monetary benefit as
41 compared to a bankruptcy, but we do think that there is this additional benefit that I did

1 want to highlight for you, as well as for those on -- online, that keeping Catalx intact will
2 preserve some causes of action and, we think, reduce a barrier to pursuing a cause of action
3 against Mr. Lee, in particular.
4

5 THE COURT: Thank you.

6
7 MR. REID: Thank you.

8
9 THE COURT: Okay. Thank you very much. Anyone else who
10 wants to speak in favour of either of these applications? All right. I see that there are a
11 number of people online who may want to address me with concerns. I'm going to start
12 first, before we get investors, with Justice Canada. Mr. Body, do you have any comments
13 to make? Hearing none. There are a number of people online who I assume are investors.
14 I'm going to allow, if there's anyone who would like to address the Court, who's not simply
15 observing, just identify yourself and then I'll hear from you.
16

17 All right. I'm not hearing that anybody wants to make submissions this afternoon.
18

19 MS. WARDELL: Sorry. Stephanie Wardell (phonetic).

20
21 THE COURT: Okay.

22
23 MS. WARDELL: So I'm a disgruntled customer.

24
25 THE COURT: All right. Ms. Wardell, what would you like me
26 to consider?
27

28 **Submissions by Ms. Wardell**
29

30 MS. WARDELL: I would just to consider the fact that there were
31 roughly 6,200 creditors. I know only percentages were provided on the -- on the number
32 of votes that were received, along with the -- you know, who was in favour versus not in
33 favour. I don't know if a member from Deloitte could speak to the actual numbers of total
34 creditors and the number of people who actually voted and then those -- and then the actual
35 number of people who voted in favour for this.
36

37 THE COURT: Okay. I can ask Mr. LeGeys if he can provide
38 me with the numbers that related -- this. I assume you're asking about the creditor's
39 meeting.
40

41 MR. LEGEYS: Yeah. The -- and the turnout was not very good,

1 Sir. So in the report of the Trustee on proposal, Exhibit or appendix D are the meeting
2 minutes. At paragraph 77, we have the turnout -- well, all -- all of the numbers, but as at
3 the meeting, only 104 claims were filed, whereas Ms. Wardell is right, there's, you know,
4 5 or 6,000 affected parties here.

5
6 THE COURT: Okay.

7
8 MR. LEGEYT: So it's a very small turnout.

9
10 THE COURT: Okay. Ms. Wardell, did --

11
12 MS. WARDELL: Thank you.

13
14 THE COURT: -- that answer your question?

15
16 MS. WARDELL: It answered my question. So --

17
18 THE COURT: Okay.

19
20 MS. WARDELL: -- if I -- if I could have a few more minutes? So
21 this is obviously a court case that has gone -- or, you know, an incident that has gone on
22 for a period of time where there's been no communication directly to the creditors from
23 Catalx or from Deloitte that I am aware of of, you know, how this process is going and --
24 and what the outcomes were. I did receive one email, I'm not quite sure of the date. I'd
25 have to look, and I'd say some time probably in May -- which I completely overlooked in
26 my inbox, given the number of emails that people receive on a daily basis. And I had
27 completely overlooked that email. It wasn't until a few minutes before the -- before the
28 actual meeting, another creditor called me to let me know that this meeting was taking
29 place, so I quickly jumped on.

30
31 I found out at that time that my vote would not be considered. Even though I attended the
32 meeting, my vote would not be considered because I didn't submit a claim at the start of
33 the meeting. So obviously missing the email, not being aware that I had to submit a claim
34 prior to the -- the meeting and then, you know, attending and not even being able to vote,
35 I think there was a lack of effort or communication on this. I know -- I know it went up on
36 the insolvency website, which I didn't know existed and -- and that's probably my -- my
37 fault. You know, mother of two kids that play every sport imaginable and I play every
38 sport imaginable. I'm an executive, just don't have a lot of time to try and keep on track,
39 so it was -- it was something that went by. And I just -- I'm not sure there was enough
40 notice to the creditors to -- like 104 people voted and filed a claim out of 6,200. Of those
41 6,200 plus, 600 of those creditors had more than 10,000 invested.

1
2 And I'll be honest, when I did read the information and when -- when somebody called --
3 when the person called me, they said, We're going to get 2/3 of our investment back. You
4 know, we're -- we're in good hands. And I thought, Oh, 2/3 of my investment, that's
5 amazing, like I -- like I was happy as punch, not realizing that it was 2/3 of a portion to be
6 divvied out. So I'm not a lawyer. I'm not even anywhere close. I'm not -- you know, I
7 don't read court documents. I don't read proposals. That's just not something that I do
8 and I definitely don't have money for a lawyer to go through this, given the fact that I've
9 lost everything. So I just -- I just don't think there was enough notice to the creditors for
10 only 104 people to care. I just -- it -- it just -- and I don't know how many people --
11 creditors were physically at the meeting, but I assure you, it was maybe 30.

12
13 And of those people that were -- attended the meeting, of those 30 people that were at the
14 meeting, we found out in that moment that we invested our money with a Canadian -- with
15 a Canadian company that claimed, that marketed that they had bond -- that they were
16 insured and bonded. It made you feel incredibly safe and then to find out at that meeting
17 that there was no insurance, I don't even know how you can market to something that there
18 was insurance and then not have insurance. So I think there was not enough effort to reach
19 the creditors. One email -- and somebody can correct me on the line if there was more --
20 more attempts, but I have -- I have one email that I -- that I missed. So one email went out
21 and that was the only notification that creditors received. And, to be honest, I've been
22 waiting for something from Catalx. I wasn't -- I wasn't -- like I didn't even know what I
23 was going to get, if I was going to get anything, so I just -- I don't feel that there was
24 enough. And then the fact that there was no insurance and it was marketed that there was
25 insurance, I just -- I feel like somebody needs to be held accountable at some point.

26
27 THE COURT: Okay. Thank you. Anyone else like to address
28 the Court at this time?

29
30 MR. TIRKMAN: Yeah. Sorry, can you hear me?

31
32 THE COURT: I can hear you, Mr. Tirkman.

33
34 **Submissions by Mr. Tirkman**

35
36 MR. TIRKMAN: Yes. Yes. Thank you. I just want to bring up --
37 mention the fact that -- so most of the people that voted did so before the creditor meeting.
38 And during the creditor meeting, we were given some crucial information that I think
39 would have convinced most voters to vote either against the proposal or to delay it. So that
40 -- that, in my opinion, it wasn't correct and Deloitte really didn't give us a lot of time after
41 the meeting to -- we weren't given a big chance to basically restart the vote, even if some

1 people had asked for it.

2
3 THE COURT: Okay. Thank you.

4
5 MR. TIRKMAN: Thank you.

6
7 THE COURT: All right. A lot of other observers here. Any
8 other concerns that wish to be expressed? I'm seeing Mr. Nasse on the line.

9
10 **Submissions by Mr. Nasse**

11
12 MR. NASSE: Yes. My name is Frank Nasse. And so I would
13 just like to point out that I didn't receive an email from Deloitte regarding any meeting, so
14 just to clarify that, Sir, yeah. Yeah.

15
16 THE COURT: Okay.

17
18 MR. NASSE: Yeah. Thank you.

19
20 THE COURT: All right. I would like to ask counsel to explain
21 to the Court and for the benefit of people here what the legislation provides as to the amount
22 of time that the Proposal Trustee has to convene a meeting. Is that limited by legislation
23 or as prescribed by legislation, Mr. LeGeyt?

24
25 **Submissions by Mr. LeGeyt (Reply)**

26
27 MR. LEGEYT: It most certainly is, Sir. And I'm just looking
28 through my brief here. I'll perhaps ask Ms. Mackinnon to send me the details, if possible.
29 But I believe from the date the proposal is filed, they would sort of consider that day zero,
30 the creditors meeting is to occur within -- I think it's perhaps 20 or 25 days later and the
31 Proposal Trustee is to send to the creditors the proposal, the report on the Trustee -- excuse
32 me, the report of the Trustee, the voting letter, the proxy, things of that nature, within a few
33 days. The -- thank you. I've got it here. It's section 51(1), the Trustee shall call a meeting
34 within 21 days after the proposal is filed and shall send to every known creditor, at least 10
35 days before the meeting: (as read)

36
37 Notice of the date, time, and place; a condensed statement of the
38 assets and liabilities; a list of the creditors with claims amounting
39 to \$250 or more; a copy of the proposal; the prescribed forms of
40 (i) the proof of claim, (ii) the proxy, and the voting letter.
41

1 So there are rules -- sorry, I'll give that back -- or -- or provisions in the BIA and that is
2 what they say and they were complied with here, Sir.

3
4 THE COURT: Okay. So the meeting was held on June 2nd.
5 You're telling me that the notices were provided 21 days before then?

6
7 MR. LEGEYT: Yeah. And I'll turn back to the Proposal
8 Trustee's report. Proposal filed on the 14th, paragraph 2, on the 15th of May, notice was
9 given to the creditors and -- and the form of notice and the documents is attached as Exhibit
10 B. Oh, sorry, that's the mailing list is 'B'. With the notice was included and then it's those
11 things I just described, statement of assets and liabilities. Those are attached as Exhibit C-
12 1, 2 and 3. Sorry, I'm not sure if I've answered your question, Sir.

13
14 THE COURT: Well, I am hearing that the notice was given on
15 May 15 for a meeting on June 2 and you told me that there's a minimum 21 days notice
16 required.

17
18 MR. REID: It's 10 days notice that the meeting must be
19 called --

20
21 THE COURT: Okay.

22
23 MR. REID: -- or be held within 21 days.

24
25 THE COURT: Okay.

26
27 MR. REID: Yeah.

28
29 MR. LEGEYT: Yeah. Sorry, I must have glossed over that part.
30 That -- that is correct, Sir.

31
32 THE COURT: Okay. I was just a bit confused there. And you
33 write there's statutory timelines here for the steps to be taken.

34
35 MR. LEGEYT: That is correct. That is right --

36
37 THE COURT: And the Trustee's report says that all those
38 timelines are met?

39
40 MR. LEGEYT: Yes, Sir.

1 THE COURT: Do you have any comment then about the
2 concerns that have been expressed by Ms. Wardell in particular about the rate of
3 participation and whether we can infer that some of these notices weren't actually being
4 received?

5
6 MR. LEGEYT: It's -- it's a difficult question to answer because
7 how do we address people who chose not to participate?

8
9 THE COURT: Right.

10
11 MR. LEGEYT: It -- it is very possible, in my respectful
12 submission, that, you know, some people may have given up. I mean, the receivership was
13 a year and a half ago. It is -- it is fortunate that we did have email addresses for the people.
14 Part of how they signed up for Catalx was to give an email address.

15
16 THE COURT: Yeah.

17
18 MR. REID: That is correct.

19
20 MR. LEGEYT: Yeah. And so, you know, the -- the notices were
21 emailed and I just don't know why people did or didn't participate.

22
23 THE COURT: Okay. All right. Thank you. So I have heard
24 from Ms. Wardell, Mr. Nasse and one other person, Mr. Tirkman, on some concerns about
25 the meeting itself and how the information that was conveyed at the meeting might have,
26 if it had been given earlier, have affected the result.

27
28 Or does counsel have comments on that?

29
30 MR. LEGEYT: Sorry, can you repeat that, Sir.

31
32 THE COURT: Well, the suggestion was made that some of the
33 information provided ahead of the meeting was elaborated on at the meeting. And so for
34 anyone who sent their vote in earlier, they may actually have voted differently, had they
35 been there.

36
37 MR. LEGEYT: Well, and there's certainly a lot of speculation in
38 that submission. Plenty of people, of course, simply submitted their claim and voted either
39 for or against and didn't attend the meeting and so there would have been no chance for
40 them to change their vote. Anyone at the meeting could have waited to have the meeting
41 run its course and then submit his vote, if they hadn't voted already. I'm not aware of

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: Thank you, Sir. I'll pass forward the two forms
12 of order, if it pleases the Court?

13
14 THE COURT: Yes.

15
16 MR. LEGEYT: Receivership order is on top and the proposal is
17 below it. Thank you.

18
19 THE COURT: Okay. I'll never object to doing this the old
20 fashioned way, Mr. LeGeyt.

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.

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32
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34 PROCEEDINGS CONCLUDED
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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

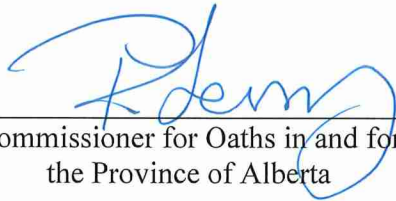
8
9 (b) the Certificate of Record for these proceedings was included orally on the record and is
10 transcribed in this transcript.

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13
14
15 Pro-to-type Word Processing

16 Order Number: TDS-1088858

17 Dated: July 17, 2025
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This is **Exhibit H** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

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 with 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

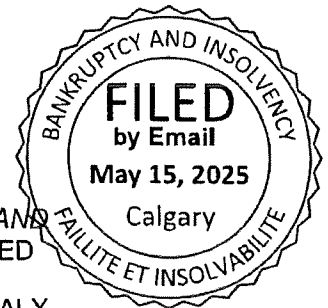
COURT / ESTATE FILE
NUMBERS

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@millერთhompson.com/
ptakhar@millერთhompson.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 fulfilment 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 the 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

Clerk's Stamp:

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

- 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:

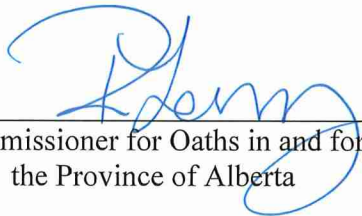
1. All of the Proposal Trustee's duties in respect of the Corporation pursuant to the BIA and the Order(s) pronounced in these proceedings have been completed.

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

Name:

Title:

This is **Exhibit I** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

Clerk's Stamp

COURT FILE NUMBER 2401-
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 **AFFIDAVIT OF HYUK JAE PARK**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MILLER THOMSON LLP
Barristers and Solicitors
525 – 9th Avenue SW, 43rd Floor
Calgary, AB, T2P 1G1

Attention: James W. Reid / John-David D'Souza
Phone: 403-298-2418 / 403-298-2431
E-mail: jwreid@millerthomson.com /
jdsouza@millerthomson.com

AFFIDAVIT OF HYUK JAE PARK
Sworn on January 10, 2024

I, Hyuk Jae Park, of the City of Coquitlam, in the Province of British Columbia,
SOLEMNLY SWEAR AND DECLARE:

1. I am a founder and director of CatalX CTS Ltd. ("**CatalX**") and Catalx Management Ltd. ("**Catalx Management**" and together with CatalX, the "**Companies**"), and I am an applicant in the within proceedings. As such, have personal knowledge of the facts and matters herein, except where stated to be based upon information and belief, and where so stated I verily believe the same to be true.
2. I am authorized to make this Affidavit on behalf of myself and CatalX as applicants for an order:
 - (a) abridging, if necessary, the time for service of notice of an Originating Application and materials in support thereof, and declaring service of the same to be good and sufficient;

- (b) appointing Deloitte Restructuring Inc. as receiver-manager of CatalX pursuant to 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 (the “**ABCA**”);
- (c) appointing Deloitte Restructuring Inc. as receiver-manager of Catalx Management pursuant to section 39 of the *Law and Equity Act*, RSBC 1996, c. 253; and
- (d) such further and other relief as this Court deems just and appropriate.

BACKGROUND

- 3. Until recently, CatalX operated an internet-based platform for the trading of crypto assets, which enables customers to buy, sell, hold, deposit, and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token (collectively, “**Crypto**”).
- 4. CatalX was formed in British Columbia in February 2018 under the name CatalX Exchange Inc., and was continued in Alberta under the ABCA on September 10, 2019. CatalX changed its name to CatalX CTS Ltd. on January 4, 2021.
- 5. CatalX’s registered office is located in Calgary, Alberta. Attached as **Exhibit “A”** is a copy of an Alberta Corporate Registry search of CatalX conducted on January 8, 2024.
- 6. Catalx Management was incorporated pursuant to the laws of British Columbia pursuant to the *Business Corporations Act*, SBC 2002, c 57 on August 28, 2018, and has its registered office located in Vancouver, British Columbia. It is extra-provincially registered in Alberta. Attached as **Exhibit “B”** is a copy of a British Columbia Corporate Registry search for Catalx Management conducted on January 8, 2024.
- 7. Until recently, Catalx Management employed the employees that provided services to CatalX. Catalx Management also held the bank accounts that CatalX used for its operations.
- 8. I am the Chief Executive Officer of CatalX and now the only remaining officer and sole director of CatalX.
- 9. Until December 22, 2023, upon CatalX accepting his resignation, Mr. Lee was a director and the Chief Financial Officer of CatalX. As former CFO of CatalX, it is my understanding that Mr. Lee is the only person that has access to the digital wallets and accounts at Bittrex

Global GmbH (“**Bittrex Global**”) that hold CatalX’s Crypto and the Crypto held on behalf of CatalX’s customers (the “**CatalX Wallets**”). Other employees of the Companies could view the CatalX Wallets but could not conduct any transactions of any Crypto.

10. Mr. Lee and I are the only two directors of Catalx Management.
11. At all relevant times the operations of CatalX and Catalx Management were interconnected.

CATALX CEASES OPERATIONS

12. CatalX operated its platform for the trading of Crypto through its platform-support supplier, Bittrex Global, which served as custodian for the Crypto of CatalX’s clients.
13. Bittrex Global and its related entity Bittrex Global (Bermuda) Ltd. are major shareholders of CatalX. Bittrex Global, through various technology and licensing agreements, provided CatalX with substantially all of the technology and liquidity required for CatalX to operate its Crypto trading platform.
14. On November 20, 2023, without notice to the Companies, Bittrex Global publicly announced its decision to wind-down its operations and cease the provision of all trading services effective as of December 4, 2023. At the same time, Bittrex Global also requested that all of its customers login to their Bittrex Global accounts and withdraw the customer’s assets. A copy of a social media post and customer instructions from Bittrex Global announcing this is collectively attached as **Exhibit “C”**.
15. CatalX determined it was not feasible for it to continue to operate its platform without the required technological and liquidity support from Bittrex Global and in light of the financial difficulties it was facing discussed further below.
16. CatalX had previously applied to the Alberta Securities Commission (“**ASC**”) to become a licensed securities exchange in Alberta. On December 4, 2023, CatalX notified the ASC that it was withdrawing its application to become a licensed securities exchange. A copy of the correspondence sent by counsel for CatalX to the ASC is attached as **Exhibit “D”**.
17. On November 24, 2023, I attended a meeting with Mr. Lee at his lawyer’s office. During the meeting, information about the state of CatalX’s finances was disclosed on what Mr. Lee’s counsel advised was on a without prejudice basis and which had to be verified. As a result, I began making internal enquiries, including from Mr. Lee, as to the status of

the CatalX Wallets in order to gather and secure the relevant records and information. In addition I took steps to seek professional advice from counsel.

18. Shortly after the November 24, 2023 meeting I became aware from staff at Catalx Management that CatalX had ceased allowing withdrawals of customer deposits.
19. I further became aware from staff that Catalx Management had not paid its employees and contractors for the month of November and the first pay period in December.
20. Prior to this time, it was my understanding that the responsibilities of managing trades within and withdrawals from the CatalX Wallets, and paying employees and contractors had been overseen and completed by CatalX's CFO, Mr. Lee.
21. By mid-December it became evident to me that Mr. Lee was no longer performing his duties as CFO and I requested from Mr. Lee the login information for access to the CatalX Wallets and the banking information of the Companies. A copy of my e-mail request is attached as **Exhibit "E"**.

THE ASC INVESTIGATIONS

22. After not receiving a response to my e-mail, on December 14, 2023, counsel to CatalX wrote to counsel for Mr. Lee demanding access to the CatalX Wallets and the bank accounts. A copy of the December 14, 2023 letter is attached as **Exhibit "F"**.
23. After not receiving a response to its December 14, 2023 letter, counsel to CatalX followed up with a further letter to counsel to Mr. Lee on December 19, 2023. In addition to demanding access to the CatalX Wallets and the bank accounts, in this letter counsel to CatalX also advised that based on a review of the records that could be viewed by certain Catalx Management staff, the balances of customer funds in the CatalX Wallets had been withdrawn or transferred out of the accounts. A copy of the December 19, 2023 letter is attached as **Exhibit "G"**.
24. On December 21, 2023, counsel to CatalX wrote to the ASC, advising it of the situation, including that the balances of customer funds in the CatalX Wallets had been withdrawn or transferred out of the accounts, and that CatalX was in the process of engaging Deloitte LLP to conduct an investigation into the transactions history that had taken place in the CatalX Wallets. A copy of the December 21, 2023 letter is attached as **Exhibit "H"**.

25. Following receipt of the December 21, 2023 letter, on December 21, 2023, the ASC granted an interim cease trade order, among other things, advising that the ASC has commenced an investigation respecting, among others CatalX, and ordering, among other things, that CatalX must cease trading in or purchasing any securities or derivatives (the **"Interim Cease Trade Order"**). A copy of the Interim Cease Trade Order is attached as **Exhibit "I"**.
26. On January 5, 2024, the ASC issued an interim order extending the Interim Cease Trade Order to January 5, 2025 (the **"Extension Order"**). A copy of the Extension Order is attached hereto as **Exhibit "J"**.

ENGAGEMENT OF DELOITTE

27. On December 22, 2023, I caused CatalX to engage Deloitte LLP to provide independent and impartial forensic and investigative services in connection to the tracing of Crypto transfer and location(s) of the Crypto that were to be held by CatalX in its Bittrex Global accounts on behalf of CatalX's customers.
28. In addition, I caused CatalX to retain Deloitte Restructuring Inc. to assist it and Catalx Management in the orderly wind-down of the Companies.
29. On December 28, 2023, CatalX issued a press release announcing that there had been a potential security breach, a loss of Crypto, and CatalX's engagement of Deloitte LLP to provide certain independent and impartial forensic and investigative services in connection with the Companies' investigation. A copy of the December 28, 2023 press release is attached as **Exhibit "K"**.
30. The Bittrex Global account where the CatalX Wallets are located is, to the best of my knowledge, currently registered under Mr. Lee's name and credentials. It is my understanding that on January 10, 2024, Mr. Lee met with Deloitte LLP for the purpose of a permanent transfer of CatalX's Bittrex Global login credentials from Mr. Lee to Deloitte LLP.
31. In addition to Deloitte LLP attempting to gain access to the Bittrex account from Mr. Lee, CatalX has made several attempts to have Bittrex reset CatalX's login credentials so that CatalX or Deloitte LLP can access the accounts and records. The last request from CatalX to Bittrex was by way of letter dated January 4, 2024, a copy of which is attached as

Exhibit “L”. As of the time of swearing this Affidavit, Bittrex to the best of my knowledge has not responded to this letter.

32. On January 2, 2024, and again on January 8, 2024, Deloitte Restructuring Inc. e-mailed Mr. Lee and his bookkeeper, Rachel Soon Jung Lee, to request all relevant books and records in their possession to assist the Companies with completing employee records of employment and T4s. A copy of Deloitte Restructuring Inc.’s attempts to obtain these records is attached as **Exhibit “M”**.

EFFORTS BY THE APPLICANTS TO PREVENT HARM

33. On December 24, 2023, to fund the ongoing engagement of counsel for CatalX as well as CatalX’s retention of Deloitte LLP and Deloitte Restructuring Inc., I loaned CatalX \$800,000 (the “**Loan**”). The Loan was necessary to fund the investigation that will be required to determine the whereabouts of the missing Crypto and to wind-down the businesses of the Companies.
34. The Loan is evidenced by a promissory note and is secured pursuant to a general security agreement charging all present and after acquired personal property of CatalX. Copies of the promissory note and general security agreement in respect of the Loan are collectively attached as **Exhibit “N”**.
35. The security granted pursuant to the Loan is registered against CatalX at the personal property registries in Alberta and British Columbia. Copies of the Personal Property Registry Searches for the Provinces of Alberta and British Columbia are attached as **Exhibits “O” and “P”**, respectively.
36. CatalX is continuing to investigate the alleged Crypto misappropriation to the best of its abilities. To date, CatalX, counsel to CatalX, and Deloitte has:
 - a. requested and secured access to the CatalX Slack account, Google, and Gmail accounts, Amazon Web Services account, and Timescale account; and
 - b. conducted a preliminary review of the CatalX Wallets.

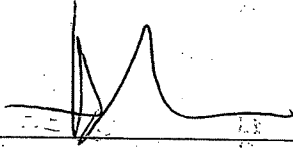
NECESSITY OF THE RECEIVER

37. Based on my knowledge of the Companies’ business and their current circumstances, as well as from my discussions with counsel to CatalX, it is my belief that:

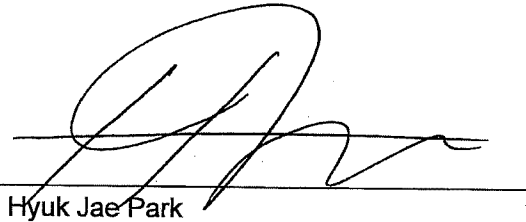
- (a) A Court-appointed receiver-manger would allow for a claims process to be conducted in an open and transparent manner under the supervision of the Court.
- (b) With the ongoing ASC investigation and the Interim Cease Trade Order, a Court-appointed receiver-manager would ensure that the Companies are operated and managed by an independent third-party approved by the Court.
- (c) Given Deloitte LLP's and Deloitte Restructuring Inc.'s background and involvement with the Companies from having commenced its investigation, Deloitte Restructuring Inc. is in the best position to gather the necessary information to locate CatalX's Crypto for the benefit of the Companies' customers and stakeholders.
- (d) Third parties, including Bittrex, Mr. Lee, and other former employees and service providers are more likely to assist and provide timely information to a Court-appointed officer than they have been to date with the Companies' and Deloitte's efforts.
- (e) Deloitte Restructuring Inc. has consented to act as receiver-manager over the Companies. I understand that a copy of the Consent to Act will be filed with the Court.
- (f) I am the only secured creditor of CatalX and I am unaware of any other creditors that would be prejudiced by the appointment.
- (g) The Companies have no ongoing operations and an orderly wind-down of their business by a receiver-manager is not prejudicial to any party.

38. I make this Affidavit in support of the application to appoint Deloitte Restructuring Inc. as receiver-manager over the Companies.

AFFIRMED BEFORE ME at the City of
Vancouver in the Province of British
Columbia, this 10th day of January, 2024.



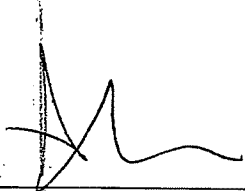
A Notary Public in and for the Province of
British Columbia



Hyuk Jae Park

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

This is Exhibit "A" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia



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Government of Alberta ■ Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2024/01/08
Time of Search: 01:34 PM
Search provided by: MILLER THOMSON LLP - CALGARY
Service Request Number: 41211966
Customer Reference Number: 0281594.0001

Corporate Access Number: 2022133223
Business Number: 771511318
Legal Entity Name: CATALX CTS LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
CATALX EXCHANGE INC.	2021/01/04

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Continuance
Previous Canadian/Foreign Jurisdiction: BRITISH COLUMBIA
Date of Continuance into Alberta: 2019/09/10 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 2018/02/05 YYYY/MM/DD

Registered Office:

Street: 3000, 700 - 9TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3V4

Records Address:

Street: 3000, 700 - 9TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P3V4

Email Address: CAL_CORPORATE_SERVICES@MILLERTHOMSON.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
LOGAN	WAYNE	E.	MILLER THOMSON LLP	3000, 700 - 9 AVENUE SW	CALGARY	ALBERTA	T2P3V4	CAL_CORPORATE_SERVICES@MILLERTHOMSON.COM

Directors:

Last Name: PARK
First Name: HYUK JAE
Street/Box Number: 3523 FORST AVE
City: COQUITLAM
Province: BRITISH COLUMBIA
Postal Code: V3B2W7

Voting Shareholders:

Last Name: BITTREX GLOBAL (BERMUDA) LTD.
Street: 22 VICTORIA ST
City: HAMILTON
Country: BERMUDA
Percent Of Voting Shares: 16.6

Last Name: BITTREX GLOBAL GMBH
Street: DR. GRASS-STRASSE 12, 9490
City: VADUZ
Country: LIECHTENSTEIN
Percent Of Voting Shares: 13.59

Last Name: LEE
First Name: JAE HO
Street: 18225 - 98 AVE
City: SURREY
Province: BRITISH COLUMBIA
Postal Code: V4N5A9
Percent Of Voting Shares: 27.34

Last Name: MOBILUM TECHNOLOGIES INC.
Street: 2200 HSBC BUILDING, 885 WEST GEORGIA STREET
City: VANCOUVER
Province: BRITISH COLUMBIA
Postal Code: V6C3E8
Percent Of Voting Shares: 13.12

Last Name: PARK
First Name: HYUK JAE
Street: 3525 FORST AVE
City: COQUITLAM
Province: BRITISH COLUMBIA
Postal Code: V3B2W7
Percent Of Voting Shares: 27.34

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE ATTACHED SCHEDULE
Share Transfers Restrictions: SEE ATTACHED SCHEDULE
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NO RESTRICTIONS
Business Restricted From: NO RESTRICTIONS
Other Provisions: SEE ATTACHED SCHEDULE

Holding Shares In:

Legal Entity Name
56 FINANCIALS INC.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CATALYX EXCHANGE	TN24038309

FASTBITCASH	TN24038374
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Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/02/06

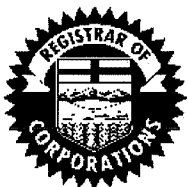
Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/09/10	Continuance Into Alberta
2020/02/23	Update BN
2020/12/30	Change Address
2021/01/04	Name Change Alberta Corporation
2022/08/17	Name/Structure Change Alberta Corporation
2023/02/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2024/01/08	Change Director / Shareholder

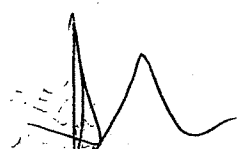
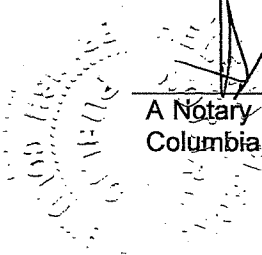
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2019/09/10
Restrictions on Share Transfers	ELECTRONIC	2019/09/10
Other Rules or Provisions	ELECTRONIC	2019/09/10
Letter of Approval	10000107119718794	2019/09/10
Share Structure	ELECTRONIC	2019/10/08
Memo to File	ELECTRONIC	2019/10/08
Share Structure	ELECTRONIC	2022/08/17

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit "B" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
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FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032



BC Company Summary

For

CATALX MANAGEMENT LTD.

Date and Time of Search: January 08, 2024 10:32 AM Pacific Time

Currency Date: October 31, 2023

ACTIVE

Incorporation Number: BC1177558

Name of Company: CATALX MANAGEMENT LTD.

Business Number: 738120286 BC0001

Recognition Date and Time: Incorporated on August 28, 2018 12:53 PM Pacific Time In Liquidation: No

Last Annual Report Filed: August 28, 2022 Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:

700 WEST GEORGIA ST, SUITE 2200
P.O. BOX 10325
VANCOUVER BC V7Y 1K8
CANADA

Delivery Address:

700 WEST GEORGIA ST, SUITE 2200
VANCOUVER BC V7Y 1K8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

700 WEST GEORGIA ST, SUITE 2200
P.O. BOX 10325
VANCOUVER BC V7Y 1K8
CANADA

Delivery Address:

700 WEST GEORGIA ST, SUITE 2200
VANCOUVER BC V7Y 1K8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

LEE, JAE HO

Mailing Address:

18225 98 AVENUE
SURREY BC V4N 5A9
CANADA

Delivery Address:

18225 98 AVENUE
SURREY BC V4N 5A9
CANADA

Last Name, First Name, Middle Name:

PARK, HYUK JAE

Mailing Address:

3523 FORST AVENUE
COQUITLAM BC V3B 2W7
CANADA

Delivery Address:

3523 FORST AVENUE
COQUITLAM BC V3B 2W7
CANADA

NO OFFICER INFORMATION FILED AS AT August 28, 2022.

This is Exhibit "C" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



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HELENA PLECKO
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FINESTRA LAW
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PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032



Bittrex Global 
@BittrexGlobal



It is with great regret that we inform you that Bittrex Global has decided to wind down its operations.

Effective Monday 4 December 2023, all trading activity on Bittrex Global will be disabled. After that date, customers will only be able to withdraw assets as part of the winding down process.

All our customers are strongly encouraged to log into their account and withdraw assets as soon as possible.

All funds and tokens remain safe and secure on the Bittrex Global platform, and are available for withdrawal – in accordance with applicable law and our Terms of Service – at any time.

Please see our full statement here. bit.ly/3MxBIkB

10:23 AM · Nov 20, 2023 · **537.6K** Views

360 Reposts **328** Quotes **750** Likes **94** Bookmarks





All trading activity on Bittrex Global has been terminated. Please log in and withdraw all assets. For USD holders, we have completed the conversion (1:1) to USDT. USDT is now available for withdrawal. Please see [this article](#) for more information.

Important Information for Bittrex Global Customers

Updated 1 month ago

It is with great regret that we inform you that Bittrex Global has decided to cease its operations. This decision was not made lightly, and we understand the impact it may have on our valued customers.

Effective Monday 4 December 2023, all trading activity on Bittrex Global will be terminated. After that date, customers will only be able to withdraw assets.

We understand that this news may raise concerns and questions, and we want to assure you that we are committed to facilitating a smooth and transparent process during this period.

All funds and tokens remain safe and secure on the Bittrex Global platform and are available for withdrawal – in accordance with applicable law and our [Terms of Service](#) – at any time.

We understand that this news may be disappointing, and we sincerely appreciate the trust and support you have given us throughout our journey. We want to express our gratitude to all our customers for having been part of the Bittrex Global community.

We will continue to provide updates and information through our official communication channels, including email and our social media channels. We thank you for your understanding and cooperation during this challenging time.

How will my account be affected?

- Customers with a balance who have completed the Know Your Customer (KYC) verification process and accepted the latest Terms of Service can login to their account, trade out of any low-balance or other positions, withdraw remaining assets and download their order history. Customers that have not completed



Chat with Trexie

verification or accepted the latest Terms of Service will be given the option to do so upon log-in.

- Customers without a balance will be able to log in to their accounts and download their account history, if necessary. While Bittrex Global does not provide tax advice, we note that you should retain a copy of your account history even if you do not currently have a balance for tax reporting purposes.

How long do I have to make my withdrawals?

No deadline has currently been set for customers to withdraw funds from Bittrex Global after the suspension of trading on Monday 4 December. However, we strongly recommend that you withdraw funds as quickly as possible, as a withdrawal deadline will be set by the liquidators at some point in the future.

Can I still trade? What happens to my open positions?

Trading on Bittrex Global will be suspended as of Monday 4 December at 1800 UTC. Please ensure that you have completed all necessary transactions before this date. At that time, your client relationship with Bittrex Global will be **terminated** and all activity on the platform – except the ability to withdraw – will be disabled.

After this date, any pending orders will be cancelled. Bittrex Global will not be responsible or liable for any losses or unrealized gains caused by the termination of pending orders.

I am having trouble accessing my account, what can I do?

- [Issues related to two-factor authentication.](#)
- [Issues related to accessing your account email.](#)
- [Issues resetting your account password.](#)
- [Issues related to account verification.](#)
- [My account is disabled.](#)

How can I withdraw cryptocurrency?

For cryptocurrency remaining in a customer's account, a wallet will need to be established that supports the specific crypto assets. Options include, but are not limited to, setting up an account at another cryptocurrency exchange and/or establishing a hardware or software wallet. If balances of cryptocurrency do not meet the minimum withdrawal size (i.e., are less than the network transaction fees to transmit the cryptocurrency off the

Bittrex Global platform), and you are unable to trade out of these positions prior to the trading deadline, we will be unable to process these withdrawals.

Please see [this article](#) for a detailed guide on how to withdraw cryptocurrency.

How can I withdraw USD?

As explained in our message on 20 November 2023, customers of Bittrex Global are not able to directly withdraw USD holdings, and need to convert this into either EUR or crypto in order to be able to withdraw the associated funds. We understand that this is frustrating, and we have been working hard to provide a solution that allows all customers to withdraw funds, even after trading is suspended on 4 December. We are pleased to announce that, as of 4 December, all remaining USD holdings will be converted 1:1 into a stablecoin (USDT), and available for withdrawal in the usual way, subject to the Terms of Service and applicable law. Bittrex Global will cover all fees associated with the conversion.

My account says I hit the daily withdrawal limit. What should I do?

Account limits vary. Customers with a balance larger than their withdrawal limit may need to break up withdrawals over several days. To find your withdraw limits, log in to your Bittrex Global account on the web version and go to My Account > My Profile > Daily Withdrawal Limit. If you do not already have it enabled, enabling 2FA may result in an increased withdrawal limit.

What if I can't withdraw crypto or fiat from the Bittrex Global platform due to the transaction minimums?

Prior to the trading deadline, we encourage customers that hold below the minimum withdrawal amount to trade into a currency with a low minimum withdrawal and then withdrawal the funds off the platform.

What if the wallet is offline for one of the cryptocurrencies I own?

You may want to trade any holdings in the currency where the wallet is offline to another currency so that you may withdraw.

What happens if someone tries to transfer funds to my Bittrex Global wallet after trading is suspended on 4 December?

You will have no claim whatsoever to any funds sent to your deposit addresses once trading is suspended on 4 December. You are responsible for notifying potential counterparties that your deposit address is no longer in your possession or control and making alternative arrangements.

Can I still use the Bittrex Global mobile application?

The Bittrex Global Mobile application is no longer supported and will be removed from the app store for download. If you need to log-in and access your account, please do so using the website. We apologize for any inconvenience this may cause.

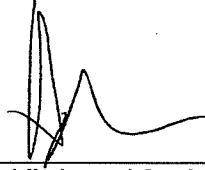
Will Bittrex Global continue to pay out referral rewards?

The Bittrex Global Referral program is terminated and will cease earning rewards effective immediately. All rewards earned on trades executed up to and including 19 November 2023 will be paid out in the coming days.

How can I contact support with questions?

Our customer support team will be available to assist you with any questions or concerns you may have during the transition process. Please create a support ticket at <https://global.bittrex.com/Home/Support> for assistance.

This is Exhibit "D" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



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Columbia

HELENA PLECKO
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TEL: 604-616-4233 FAX: 604-901-1032



MILLER THOMSON
AVOCATS | LAWYERS

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

December 4, 2023

Private and Confidential

Sent via Email

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

Email: Ashlyn.DAoust@asc.ca

Attention: Ashlyn D'Aoust

Wayne Logan

Direct Line: 403.298.2407

Direct Fax: 403.262.0007

wlogan@millerthomson.com

File: 0241806.0003

Dear Ms. D'Aoust:

Re: Notice of intention to cease operations, withdrawal of application for registration as restricted dealer in each province in Canada and withdrawal of request for exemptive relief from certain security laws (together the "Application") by CatalX CTS Ltd. ("CatalX")

We are writing to inform you of certain material events that recently occurred that have resulted in CatalX reaching a decision to wind up its crypto platform trading operations and withdraw the Application from further consideration by the Alberta Securities Commission ("ASC") and the other applicable CSA regulators.

On November 20, 2023, Bittrex Global ("BG") publically announced its decision to wind down its operations and cease the provision of all trading services effective as of December 4, 2023 (the "Effective Date"). As you may already be aware, BG through various technology and licensing agreements provides substantially all of the technology and liquidity required for CatalX to operate its crypto asset trading platform in Canada. Unfortunately CatalX's management did not receive advance notice of this announcement from BG and after careful consideration of the implications, including consideration of alternative options, has determined that it is not feasible to continue to operate the CatalX crypto asset trading platform in Canada without the required technological and liquidity support from BG after the Effective Date.

It is CatalX's plan to cease trading operations on the Effective Date and with the assistance of BG to facilitate the orderly wind down of its operations.

This letter constitutes notice that CatalX wishes to withdraw the Application and in that regard will not be submitting any additional materials in support of the Application. This letter also constitutes notice of CatalX to withdraw the undertaking delivered to the ASC dated March 24, 2023 in accordance with Section 15 thereof.

If you have any questions regarding any of the foregoing please to not hesitate to contact the undersigned.

Yours truly,

MILLER THOMSON LLP

Per: 

Wayne Logan
Associate Counsel

cc. CatalX CTS Ltd.

British Columbia Securities Commission

Autorité des marchés financiers

Manitoba Securities Commission

New Brunswick Securities Commission

Newfoundland Securities Commission

Nova Scotia Securities Commission

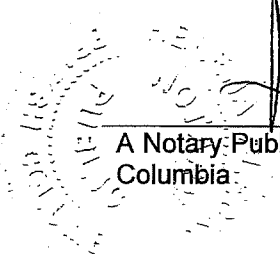
Ontario Securities Commission

Prince Edward Island Securities Office

Financial and Consumer Affairs Authority (Saskatchewan)



This is Exhibit "E" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



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TEL: 604-616-4233 FAX: 604-901-1032

From: Jae Park <jae@catalyx.io>
Date: December 12, 2023 at 9:30:31 AM PST
To: Jae Ho Lee <jae.lee@catalyx.io>
Subject: CatalX

JaeHo,

As you know, yours and CatalX's counsel are considering next steps with respect to the wind-up of the business. In the meantime, since employees are not getting paid and customers are not able to make withdraws from their accounts, the Company is fielding lots of questions. We need access to the Company records and accounts to be able to determine both short-term and long-term solutions.

In this regard can you please send me:

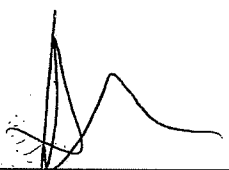
1. The log in information to the back end, where the ledger can be reviewed and crypto/funds can be moved
2. Information on the location, account numbers and access to Company bank accounts.

Thank you for your assistance and cooperation.

Jae Park

Sent from my iPhone

This is Exhibit "F" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
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MILLER THOMSON LLP
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EIGHTH AVENUE PLACE EAST
CALGARY, AB T2P 1G1
CANADA
T 403.298.2400
F 403.262.0007

December 14, 2023

VIA EMAIL

DEdinger@singleton.com

James W. Reid
Direct Line: +1 403.298.2418
jwreid@millerthomson.com

File No. 0281594.0001

Singleton Urquhart Reynolds Vogel LLP

925 W. Georgia St., Suite 1200
Vancouver, BC V6C 3L2

Attention: H. David Edinger

Dear Sir:

Re: Catalx CTS Ltd.

We are counsel to CatalX CTS Ltd. ("**CatalX**"). We understand that your office represents the Chief Financial Officer of CatalX, and one of its three remaining directors, Jae Ho Lee.

As you are aware, CatalX has made a decision to wind-up its crypto platform trading operations, and as a result, it has withdrawn its application for registration with the Alberta Securities Commission as a restricted dealer. In this regard, CatalX has also ceased its trading operations as of December 4, 2023.

We understand that recently, CatalX has ceased allowing the withdrawals of deposits made by its customers. We understand that this is at least in part due to there being a shortfall in the crypto currency deposited with CatalX and held by CatalX on behalf of its customers.

Further, we understand that CatalX's related entity, Catalx Management Ltd. ("**Management**"), has ceased paying its employees that help operate CatalX's business. We understand that Mr. Lee is the only one with access to Management bank accounts that pay these employees.

In his role as CFO, Mr. Lee is the only individual with access to the accounts, records and information CatalX and Management requires to wind-up their businesses. Some of this information has already been requested directly from Mr. Lee by CatalX, but to date, Mr. Lee has not yet provided CatalX with the necessary information.

We hereby request the following information from Mr. Lee forthwith:

1. All log in and trading information to crypto accounts or wallets where crypto assets that are the property of CatalX, Management, or CatalX's clients have been deposited with CatalX or Management.
2. Access to all ledgers where records of crypto deposits, withdrawals, and trades have been recorded by CatalX and Management in connection with any deposit, withdrawal or trade that have been made with crypto assets that are the property of CatalX, Management, or CatalX's clients.

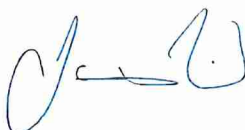
3. Information on the location and account numbers to CatalX and Management bank accounts and records, and access to the same, including all operating accounts and any trust accounts created for the benefit of CatalX's clients.

We look forward to Mr. Lee's urgent attention to these requests. Should you have any questions please do not hesitate to contact our office.

Yours truly,

MILLER THOMSON LLP

Per:

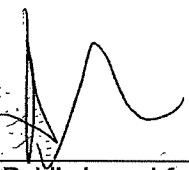
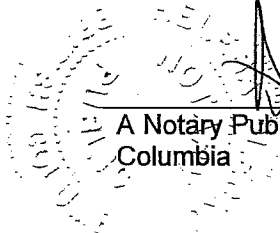


James W. Reid
JR/mc

cc: John-David D'Souza (Miller Thomson LLP)



This is Exhibit "G" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
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EIGHTH AVENUE PLACE EAST
CALGARY, AB T2P 1G1
CANADA
T 403.298.2400
F 403.262.0007

December 19, 2023

VIA EMAIL

DEdinger@singleton.com

James W. Reid
Direct Line: +1 403.298.2418
jwreid@millerthomson.com

File No. 0281594.0001

Singleton Urquhart Reynolds Vogel LLP

925 W. Georgia St., Suite 1200
Vancouver, BC V6C 3L2

Attention: H. David Edinger

Dear Sir:

Re: Catalx CTS Ltd. ("CatalX") and Catalx Management Ltd. ("Management")

We write further to our letter dated December 14, 2023. Capitalized terms used herein and not otherwise defined have the meanings given in our December 14, 2023 letter.

In our December 14 letter we advised, among other things, that CatalX has ceased allowing withdrawals of deposits made by its customers, and that Management has ceased paying its employees. Your client, Mr. Jae Ho Lee, is a director and the CFO of CatalX and Management, and the only individual that holds the keys or otherwise has access to the digital wallets and accounts that hold CatalX's and Management's crypto assets and the crypto assets held by CatalX on behalf of CatalX's clients (together the "**CatalX Wallets**"). Similarly, Mr. Lee is the only person with access to the bank accounts of CatalX (and its subsidiaries) and Management, including the bank accounts that are used to pay employees and fund operations for both CatalX and Management (together the "**CatalX Accounts**").

CatalX's Client Experience Manager and FINTRAC Compliance Officer, Lois Cusker, who can view the balances in the CatalX Wallets, advised today that in the past two to three weeks, all balances that were in the CatalX Wallets were withdrawn or transferred out of the accounts. Ms. Cusker has also advised of other suspicious transactions that need to be immediately reviewed.

In this regard, CatalX is in the process of retaining Deloitte LLP to assist it with reviewing the accounts and records of the businesses. We hereby demand that Mr. Lee provide the following:

1. The following information relating to the CatalX Wallets: names, locations and digital addresses of all CatalX Wallets; all keys, log in information and any other information required to access and deal with the assets held in the CatalX Wallets;
2. All balance and transaction information for any crypto accounts or wallets where crypto assets that are the property of CatalX, Management, or CatalX's clients have been deposited;
3. All information required to access the ledgers where records of crypto asset deposits, withdrawals, and trades have been recorded by CatalX and Management in connection with any deposit, withdrawal or trade that has been made with crypto assets that are or were the property of CatalX, Management, or CatalX's clients ("**CatalX Trading History**");

4. All internal records of CatalX or Management relating to the CatalX Trading History;
5. Information on the location and account numbers to the CatalX Accounts and records, and access to the same, including all operating accounts and any trust accounts created for the benefit of CatalX's clients.

In addition to the above, we understand that CatalX's CEO, Hyuk Jae Park, provided a loan of US\$700,000 to Mr. Lee, which funds were provided to Mr. Lee for the specific purpose of trading crypto currencies to generate profits to fund the business operations of CatalX and Management. These funds are now required to fund the fees of Deloitte LLP, counsel to CatalX, and for the wind-down of the businesses. We hereby demand the immediate return of these funds to Mr. Park's counsel. Please note I have copied Mr. Park's counsel, David P. Church K.C. and Andrew J. Pearson of Church & Company, who is advising Mr. Park in this process.

We are further requesting that Mr. Lee resign as both officer and director of CatalX and Management. It has become apparent that Mr. Lee does not intend to participate in the steps that are required to wind-up the businesses, nor provide any of the funding that is required for the same. Further, with the recent break-down of communications between Mr. Lee and the rest of the board and management of the companies, as well as the necessary investigation by Deloitte LLP into transactions done in CatalX Wallets and CatalX Accounts, Mr. Lee's resignation is prudent given his interests do not appear to align with the businesses'. We have enclosed forms of resignation letters for Mr. Lee to complete. Please return the executed documents to us.

Finally, given Ms. Cusker's reporting of potentially improper transactions in the CatalX Wallets and CatalX Accounts, please advise Mr. Lee that he is to maintain all records and communications in his possession, including cell phone and other digital correspondences, for Deloitte LLP to conduct its investigation.

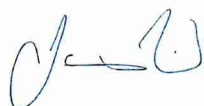
Given the gravity of the situation, we require that all information and other requests in this letter be provided by no later than **4:00 pm (Calgary time) on December 21, 2023**. Should we not get a positive response by this time, CatalX and Deloitte will need to take urgent steps to protect its assets and records, including by seeking relief from the Court.

Should you have any questions please do not hesitate to contact our office.

Yours truly,

MILLER THOMSON LLP

Per:



James W. Reid
JR/mc

Enclosures

c: *John-David D'Souza (Miller Thomson LLP)*
David P. Church K.C. and Andrew J. Pearson (Church & Company)
Bonita Lewis-Hand (Innovative Legal Solutions LLP)



ENCLOSURE ONE

RESIGNATION AS DIRECTOR AND OFFICER

To: **CATALX CTS LTD.**
(the "Company")

I resign as director and Chief Financial Officer of the Company effective immediately.

This resignation shall be considered properly executed if executed and transmitted by facsimile or executed, scanned and sent by electronic mail or by other electronic means to the addressee hereof or to its solicitors.

Dated as of _____.

JAE HO LEE

ENCLOSURE TWO

RESIGNATION AS DIRECTOR AND OFFICER

To: **CATALX MANAGEMENT LTD.**
(the "Company")

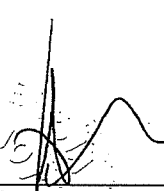
I resign as director and Chief Financial Officer of the Company effective immediately.

This resignation shall be considered properly executed if executed and transmitted by facsimile or executed, scanned and sent by electronic mail or by other electronic means to the addressee hereof or to its solicitors.

Dated as of _____.

JAE HO LEE

This is Exhibit "H" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
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T 403.298.2400
F 403.262.0007

MILLERTHOMSON.COM

December 21, 2023

PRIVATE AND CONFIDENTIAL

VIA EMAIL

Ashlyn.DAoust@asc.ca

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

Attention: Ashlyn D'Aoust

Dear Ms. D'Aoust:

Re: CatalX CTS Ltd. ("CatalX")

James W. Reid

Partner

Direct Line: 403.298.2418

jwreid@millerthomson.com

File: 0241806.0003

We are counsel to CatalX. We are writing further to the telephone call between Mr. Zulqer Khan of the Alberta Securities Commission ("**ASC**"), and Peter Fang, CatalX's Chief Compliance Officer. In this conversation, we understand the ASC informed Mr. Fang that it had received complaints from CatalX customers who have been unable to withdraw crypto-currencies from their CatalX accounts. The ASC has requested that CatalX update it on the situation.

In early to mid-December, CatalX's CEO and Board of Directors became aware that CatalX had ceased allowing withdrawals of customer deposits. In addition, its related entity that employs the staff of the business, CatalX Management Ltd. ("**Management**") had ceased paying its employees.

CatalX's CFO, and one of its three remaining directors, Mr. Jae Ho Lee, is currently the only individual that holds the keys or otherwise has access to the digital wallets and accounts that hold CatalX's and Management's crypto assets and the crypto assets held by CatalX on behalf of CatalX's customers (together the "**CatalX Wallets**"). Similarly, Mr. Lee is the only person with access to the bank accounts of CatalX and Management, including the bank accounts that are used to pay employees and fund operations for both CatalX and Management (together the "**CatalX Accounts**").

Upon learning of the CFO having ceased performing these duties, on December 12, 2023, CatalX's CEO, Hyuk Jae Park, wrote to Mr. Lee requesting the login information and access to the CatalX Wallets and CatalX Accounts. A copy of this correspondence is enclosed.

After not receiving a response from Mr. Lee, on December 14, 2023, counsel to CatalX wrote to Mr. Lee's personal counsel advising it of the situation, and again requesting the immediate provision of, among other things, the login information and access to the CatalX Wallets and CatalX Accounts. A copy of our December 14, 2023, correspondence is enclosed.

After not receiving a response to the December 14, 2023 letter, on December 19, 2023, counsel to CatalX followed up with Mr. Lee's counsel demanding that by no later than 4:00 pm (Calgary time) on December 21, 2023, Mr. Lee provide to CatalX, among other things, the login information and access to the CatalX Wallets and CatalX Accounts. The December 19, 2023 correspondence

also advised that based on a review of the records that could be viewed by certain Management staff, all the balances of customer funds in the CatalX Wallets had been withdrawn or transferred out of the accounts and that these suspicious transactions need to be reviewed immediately. At the time of this letter we have not received a response from Mr. Lee or his counsel. A copy of the December 19, 2023 correspondence is enclosed.

As noted in the December 19 correspondence, CatalX is in the process of retaining Deloitte LLP to conduct an investigation into the transactions that have taken place in the CatalX Wallets and CatalX Accounts. Should Mr. Lee not comply with CatalX's demands to provide full access to all records and accounts, we have reserved time before the Court of King's Bench of Alberta (Commercial List) on January 19, 2023, to have Deloitte Restructuring Inc. appointed as receiver and manager of the business. Notably this was the earliest date we could get time before the Court given the time of year this situation has come to CatalX's attention. Will attempt to get an earlier Court date if space becomes available.

In addition to seeking the appointment of Deloitte as Court-appointed receiver and manager over CatalX, CatalX intends to seek the assistance of the British Columbia Supreme Court at an early date in respect of Mr. Lee, due to suspicions that CatalX's customer funds have been improperly dissipated by Mr. Lee.

To the extent the ASC can assist CatalX in its efforts to obtain information and records from Mr. Lee it would be appreciated. CatalX will continue to diligently investigate the situation and keep the ASC apprised of developments as information is gathered.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to read 'J. Reid', with a stylized flourish at the end.

James W. Reid
Partner

Enclosures

- c. *John-David D'Souza (Miller Thomson LLP)*
David P. Church K.C. and Andrew J. Pearson (Church & Company)

ENCLOSURE ONE

Subject:

CatalX

From: Jae Park <jae@catalyx.io>

Date: December 12, 2023 at 9:30:31 AM PST

To: Jae Ho Lee <jae.lee@catalyx.io>

Subject: CatalX

JaeHo,

As you know, yours and CatalX's counsel are considering next steps with respect to the wind-up of the business. In the meantime, since employees are not getting paid and customers are not able to make withdraws from their accounts, the Company is fielding lots of questions. We need access to the Company records and accounts to be able to determine both short-term and long-term solutions.

In this regard can you please send me:

1. The log in information to the back end, where the ledger can be reviewed and crypto/funds can be moved
2. Information on the location, account numbers and access to Company bank accounts.

Thank you for your assistance and cooperation.

Jae Park

Sent from my iPhone

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

ENCLOSURE TWO



MILLER THOMSON LLP
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EIGHTH AVENUE PLACE EAST
CALGARY, AB T2P 1G1
CANADA

T 403.298.2400
F 403.262.0007

December 14, 2023

VIA EMAIL

DEdinger@singleton.com

James W. Reid

Direct Line: +1 403.298.2418

jwreid@millerthomson.com

File No. 0281594.0001

Singleton Urquhart Reynolds Vogel LLP

925 W. Georgia St., Suite 1200
Vancouver, BC V6C 3L2

Attention: H. David Edinger

Dear Sir:

Re: Catalx CTS Ltd.

We are counsel to CatalX CTS Ltd. ("**CatalX**"). We understand that your office represents the Chief Financial Officer of CatalX, and one of its three remaining directors, Jae Ho Lee.

As you are aware, CatalX has made a decision to wind-up its crypto platform trading operations, and as a result, it has withdrawn its application for registration with the Alberta Securities Commission as a restricted dealer. In this regard, CatalX has also ceased its trading operations as of December 4, 2023.

We understand that recently, CatalX has ceased allowing the withdrawals of deposits made by its customers. We understand that this is at least in part due to there being a shortfall in the crypto currency deposited with CatalX and held by CatalX on behalf of its customers.

Further, we understand that CatalX's related entity, Catalx Management Ltd. ("**Management**"), has ceased paying its employees that help operate CatalX's business. We understand that Mr. Lee is the only one with access to Management bank accounts that pay these employees.

In his role as CFO, Mr. Lee is the only individual with access to the accounts, records and information CatalX and Management requires to wind-up their businesses. Some of this information has already been requested directly from Mr. Lee by CatalX, but to date, Mr. Lee has not yet provided CatalX with the necessary information.

We hereby request the following information from Mr. Lee forthwith:

1. All log in and trading information to crypto accounts or wallets where crypto assets that are the property of CatalX, Management, or CatalX's clients have been deposited with CatalX or Management.
2. Access to all ledgers where records of crypto deposits, withdrawals, and trades have been recorded by CatalX and Management in connection with any deposit, withdrawal or trade that have been made with crypto assets that are the property of CatalX, Management, or CatalX's clients.

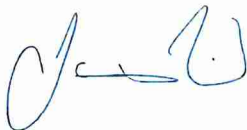
3. Information on the location and account numbers to CatalX and Management bank accounts and records, and access to the same, including all operating accounts and any trust accounts created for the benefit of CatalX's clients.

We look forward to Mr. Lee's urgent attention to these requests. Should you have any questions please do not hesitate to contact our office.

Yours truly,

MILLER THOMSON LLP

Per:

A handwritten signature in blue ink, appearing to read 'J. Reid', with a stylized flourish at the end.

James W. Reid
JR/mc

cc: John-David D'Souza (Miller Thomson LLP)



ENCLOSURE THREE



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

December 19, 2023

VIA EMAIL

DEdinger@singleton.com

James W. Reid
Direct Line: +1 403.298.2418
jwreid@millerthomson.com

File No. 0281594.0001

Singleton Urquhart Reynolds Vogel LLP

925 W. Georgia St., Suite 1200
Vancouver, BC V6C 3L2

Attention: H. David Edinger

Dear Sir:

Re: Catalx CTS Ltd. ("CatalX") and Catalx Management Ltd. ("Management")

We write further to our letter dated December 14, 2023. Capitalized terms used herein and not otherwise defined have the meanings given in our December 14, 2023 letter.

In our December 14 letter we advised, among other things, that CatalX has ceased allowing withdrawals of deposits made by its customers, and that Management has ceased paying its employees. Your client, Mr. Jae Ho Lee, is a director and the CFO of CatalX and Management, and the only individual that holds the keys or otherwise has access to the digital wallets and accounts that hold CatalX's and Management's crypto assets and the crypto assets held by CatalX on behalf of CatalX's clients (together the "**CatalX Wallets**"). Similarly, Mr. Lee is the only person with access to the bank accounts of CatalX (and its subsidiaries) and Management, including the bank accounts that are used to pay employees and fund operations for both CatalX and Management (together the "**CatalX Accounts**").

CatalX's Client Experience Manager and FINTRAC Compliance Officer, Lois Cusker, who can view the balances in the CatalX Wallets, advised today that in the past two to three weeks, all balances that were in the CatalX Wallets were withdrawn or transferred out of the accounts. Ms. Cusker has also advised of other suspicious transactions that need to be immediately reviewed.

In this regard, CatalX is in the process of retaining Deloitte LLP to assist it with reviewing the accounts and records of the businesses. We hereby demand that Mr. Lee provide the following:

1. The following information relating to the CatalX Wallets: names, locations and digital addresses of all CatalX Wallets; all keys, log in information and any other information required to access and deal with the assets held in the CatalX Wallets;
2. All balance and transaction information for any crypto accounts or wallets where crypto assets that are the property of CatalX, Management, or CatalX's clients have been deposited;
3. All information required to access the ledgers where records of crypto asset deposits, withdrawals, and trades have been recorded by CatalX and Management in connection with any deposit, withdrawal or trade that has been made with crypto assets that are or were the property of CatalX, Management, or CatalX's clients ("**CatalX Trading History**");

4. All internal records of CatalX or Management relating to the CatalX Trading History;
5. Information on the location and account numbers to the CatalX Accounts and records, and access to the same, including all operating accounts and any trust accounts created for the benefit of CatalX's clients.

In addition to the above, we understand that CatalX's CEO, Hyuk Jae Park, provided a loan of US\$700,000 to Mr. Lee, which funds were provided to Mr. Lee for the specific purpose of trading crypto currencies to generate profits to fund the business operations of CatalX and Management. These funds are now required to fund the fees of Deloitte LLP, counsel to CatalX, and for the wind-down of the businesses. We hereby demand the immediate return of these funds to Mr. Park's counsel. Please note I have copied Mr. Park's counsel, David P. Church K.C. and Andrew J. Pearson of Church & Company, who is advising Mr. Park in this process.

We are further requesting that Mr. Lee resign as both officer and director of CatalX and Management. It has become apparent that Mr. Lee does not intend to participate in the steps that are required to wind-up the businesses, nor provide any of the funding that is required for the same. Further, with the recent break-down of communications between Mr. Lee and the rest of the board and management of the companies, as well as the necessary investigation by Deloitte LLP into transactions done in CatalX Wallets and CatalX Accounts, Mr. Lee's resignation is prudent given his interests do not appear to align with the businesses'. We have enclosed forms of resignation letters for Mr. Lee to complete. Please return the executed documents to us.

Finally, given Ms. Cusker's reporting of potentially improper transactions in the CatalX Wallets and CatalX Accounts, please advise Mr. Lee that he is to maintain all records and communications in his possession, including cell phone and other digital correspondences, for Deloitte LLP to conduct its investigation.

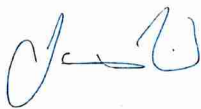
Given the gravity of the situation, we require that all information and other requests in this letter be provided by no later than **4:00 pm (Calgary time) on December 21, 2023**. Should we not get a positive response by this time, CatalX and Deloitte will need to take urgent steps to protect its assets and records, including by seeking relief from the Court.

Should you have any questions please do not hesitate to contact our office.

Yours truly,

MILLER THOMSON LLP

Per:



James W. Reid
JR/mc

Enclosures

c: *John-David D'Souza (Miller Thomson LLP)*
David P. Church K.C. and Andrew J. Pearson (Church & Company)
Bonita Lewis-Hand (Innovative Legal Solutions LLP)



ENCLOSURE ONE

RESIGNATION AS DIRECTOR AND OFFICER

To: **CATALX CTS LTD.**
(the "Company")

I resign as director and Chief Financial Officer of the Company effective immediately.

This resignation shall be considered properly executed if executed and transmitted by facsimile or executed, scanned and sent by electronic mail or by other electronic means to the addressee hereof or to its solicitors.

Dated as of _____.

JAE HO LEE

ENCLOSURE TWO

RESIGNATION AS DIRECTOR AND OFFICER

To: **CATALX MANAGEMENT LTD.**
(the "Company")

I resign as director and Chief Financial Officer of the Company effective immediately.

This resignation shall be considered properly executed if executed and transmitted by facsimile or executed, scanned and sent by electronic mail or by other electronic means to the addressee hereof or to its solicitors.

Dated as of _____.

JAE HO LEE

This is Exhibit "I" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia



HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

ALBERTA SECURITIES COMMISSION

INTERIM CEASE TRADE ORDER

Citation: Re CatalX CTS Ltd., 2023 ABASC 167

Date: 20231221

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

Background

1. Staff (**Staff**) of the Alberta Securities Commission (the **Commission**) have commenced an investigation respecting CatalX CTS Ltd. (operating as Catalyx) (**Catalyx**) and associated parties (the **Investigation**).
2. On the evening of December 21, 2023, Staff sought and were granted an urgent Commission hearing to consider an application for an interim order pursuant to sections 33 and 198 of the *Securities Act* (Alberta) (**the Act**). A hearing was held via videoconference.
3. Staff's application was made with informal notice to counsel for the Respondent Catalyx, and no notice to the Respondent, Jae Ho Lee (**Lee**). Counsel for the Respondent Catalyx participated in the hearing.
4. Given the exigent circumstances, and in accordance with section 2.3 of ASC Rule 15-501 *Rules of Practice and Procedure for Commission Proceedings*, Staff's request to waive or vary the Commission's ordinary procedures to apply for an interim order by Notice of Hearing was granted by the panel.
5. Staff sought an interim order pursuant to sections 33 and 198(1) of the Act that for a period of 15 days, the Respondents must cease trading in or purchasing any securities or derivatives.
6. The Commission received and has considered the *viva voce* and documentary evidence submitted by Staff and the submissions made by both Staff and the Respondent, Catalyx.
7. The Commission notes that counsel for the Respondent Catalyx, has consented to the order sought by Staff; the Respondent Jae Ho Lee was not present.

Order

8. Considering that the length of time required to conduct a hearing or trial and render a decision could be prejudicial to the public interest and that it is in the public interest to make this order, the Commission orders under sections 33(1) and 198(1) of the Act that:
 - (a) the Respondents must cease trading in or purchasing any securities or derivatives; and
 - (b) until a Notice of Hearing arising from the Investigation is issued, all evidence

admitted at the hearing of Staff's application must remain confidential and must not be divulged except in accordance with section 45 of the Act.

9. Pursuant to section 33(2)(b) of the Act, this order takes effect immediately and expires at 10:30 p.m. (MST) on January 5, 2024 unless extended by the Commission.

December 21, 2023

For the Commission:

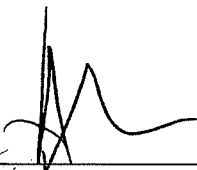
"original signed by"

Tom Cotter

"original signed by"

Kari Horn

This is Exhibit "J" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia.

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

ALBERTA SECURITIES COMMISSION

INTERIM ORDER: EXTENSION

Citation: Re CatalX CTS Ltd., 2024 ABASC 5

Date: 20240105

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

Background

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

Order

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

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

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

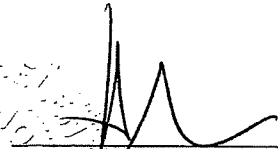
January 5, 2024

For the Commission:

"original signed by"
Tom Cotter

"original signed by"
Kari Horn

This is Exhibit "K" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

CatalX CTS Ltd. Announces Security Breach, Loss of Crypto Assets and Ongoing Investigation

NEWS PROVIDED BY

CatalX CTS Ltd. →

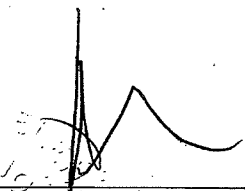
28 Dec, 2023, 15:39 ET

CALGARY, AB, Dec. 28, 2023 /CNW/ - CatalX CTS Ltd. (the "Company"), the operator of a Canadian crypto trading platform at <https://catalyx.io/> (the "Platform"), announces that management of the Company recently discovered a security breach on the Platform in connection with the holding of crypto assets on behalf of clients. Management suspects that this security breach, which may involve an employee, has resulted in the loss of a portion of the crypto assets held by the Company on behalf of its clients (the "Loss"). On December 21, 2023, the Company consented to a cease trade order (available **here**) that was issued by the Alberta Securities Commission against the Company and Jae Ho Lee in connection with this matter. The Company is currently conducting an investigation into the Loss and has retained Deloitte LLP to provide certain forensic and investigative services to the Company in connection with its investigation.

Due to the Loss, all crypto and fiat currency withdrawals from the Platform and all trading activities on the Platform have been temporarily suspended. The Company will provide an update to its customers upon the conclusion of Deloitte LLP's investigation. Further updates will be provided on this matter when available.

SOURCE CatalX CTS Ltd.

This is Exhibit "L" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



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Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032



Unit 421, 7 Ave SW, Calgary, AB, Canada T2P 4K9

January 4, 2024

Bittrex Global GmbH
Dr. Grass-Strasse 12, 9490
Vaduz, Liechtenstein

Attention: Olivier Linch, CEO

Sent via email: Olinch@bittrexglobal.com

RE: Account Authorizations, Documentation, Instructions and Correspondence of, and/or Related to, CatalX CTS Ltd. ("CatalX")

Dear Mr. Linch,

Further to past correspondence, I am writing to follow up on CatalX's requests for information and copies of any documents relating to CatalX's accounts, account agreements, account statements, account instructions, orders, trade confirmations and any and all account documents and any related correspondence regarding the accounts of CatalX held at or in the control of Bittrex Global GmbH ("**Bittrex**").

As you are aware, CatalX suspects that certain crypto assets and cash belonging to customers of CatalX ("**Client Assets**") may have been misappropriated or misdirected by the former CFO of CatalX, Jae Ho Lee ("**JHL**"). As you are also aware, all Client Assets were held in wallets or accounts controlled by Bittrex on behalf of CatalX and its customers (the "**Custodial Wallets**").

As previously communicated to Bittrex's counsel, Stikeman Elliott LLP ("**SE**"), by CatalX's counsel, Miller Thomson LLP ("**MT**"), CatalX has retained Deloitte LLP ("**Deloitte**") to conduct a forensic investigation to determine the whereabouts, and if possible, to assist with the recovery of the Client Assets. Each of CatalX, MT, and Deloitte have made previous requests to Bittrex for all available documents and assistance in connection with CatalX's efforts to identify and recover the missing Client Assets. We are providing this letter to consolidate and update the requests previously made, as well as to seek a status update from you regarding any steps Bittrex has taken thus far. Please see the consolidated requests below:

1. Further to my email to you dated December 18, 2023, please confirm that the Custodial Wallets have been frozen, as well confirm the date such action was taken;
2. As JHL is no longer a director or officer of CatalX, please reset CatalX's login credentials on the Bittrex platform. These credentials were previously issued by Bittrex to JHL on behalf of CatalX under the ID "*jae.lee@catalyx.io*". Please provide or help me to obtain new login credentials for CatalX so that CatalX can access its account at Bittrex. This access should allow CatalX to view the account's transaction history and trace all transactions and activities undertaken by JHL in connection with Client Assets held in the Custodial Wallets;
3. Further to the email sent by MT to SE dated December 21, 2023, please provide CatalX with the following records with respect to CatalX's accounts with Bittrex and the Custodial Wallets:

- **Trade Activity** – Please provide documents showing all trade activities in CatalX's account, including trading activities that were processed through API and their Direct User Interface, separated with Transaction IDs and/or wallet addresses. If recorded, please also provide the IP addresses that were recorded related to each transaction;
 - **Crypto Deposit and Withdrawal Activity** - Please provide documents showing all deposit and withdrawal activities in CatalX's account, including deposit and withdrawal activities that were processed through API and Direct User Interface, separated if possible, with Transaction IDs and/or wallet addresses. If recorded, please also provide the IP addresses that were recorded related to each transaction;
 - **Fiat and Representative Money Deposit and Withdrawal Activity** - Please provide documents showing all fiat cash deposit and withdrawal activities in CatalX's account, including deposit and withdrawal activities processed through the Direct User Interface; and
 - **Correspondence** – Please provide us with copies of documents showing any and all correspondence regarding the accounts of CatalX held at or in the control of Bittrex. Please also provide documents showing all communications, correspondence and any account creation requests from Mr. Jae Ho Lee or any other persons representing CatalX after the date that CatalX initially opened its account at Bittrex.
4. Please provide CatalX with information in Bittrex's possession regarding every person that was or is authorized to access the Client Assets or the Custodial Wallets as well as their login ID and level of authorization (i.e. view only, approve withdrawals, etc.).
 5. Please provide CatalX with copies of all agreements between CatalX and Bittrex governing the use of Bittrex's services by CatalX or the custody of assets by Bittrex on behalf of CatalX.
 6. Please provide the requested documents to me electronically at jae@catalyx.io, with a copy to CatalX's legal counsel, James Reid, at jwreid@millerthomson.com.

In taking steps to identify and recover the Client Assets, we stress that time is of the essence. CatalX is legally entitled to prompt production of its account-related records as requested. Bittrex's refusal or failure to provide the requested records and/or confirm that the Custodial Wallets have been frozen will impede investigation and jeopardize potential recovery of Client Assets. We request that you provide a response to this letter no later than 4:00 pm (Calgary Time) on Monday, January 8, 2024. In the interest of time, we request that you do not wait until all information is available to respond to our requests as set out herein, but that you respond to each request as soon as possible or as soon as any information is able to be gathered. As our investigation proceeds we may make supplemental requests for information if required. In addition, if there is any other information that Bittrex has in its possession that may be helpful to our investigation and that you are able to disclose we request that you do so.

Sincerely,

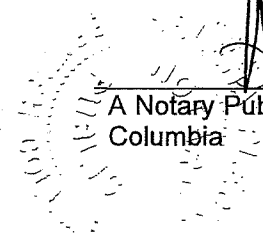
CatalX CTS Ltd.



Hyuk Jae Park, CEO & Director

- c. Stikeman Elliott LLP, Attention Alix d'Anglejan-Chatillon (adanglejan@stikeman.com)
- Miller Thomson LLP, Attention James Reid (jwreid@millerthomson.com)
- Deloitte LLP, Attention Cassie Poon (caspoon@deloitte.ca) and Andre Prasek (aprasek@deloitte.ca)
- Financial Market Authority, Liechtenstein (fintech@fma-li.li)

This is Exhibit "M" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024

A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032



Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: 403-267-0501
Fax: 403-718-3681
www.deloitte.ca

January 2, 2024

Jae Ho Lee
18225 98 Avenue
Surrey BC V4N 5A9

ATTN: Mr. Jae Ho Lee and Ms. Rachel Soon Jung Lee
CC: Mr. David Edinger

VIA EMAIL: jae.lee@catalyx.io, rachel24lee@gmail.com
CC: dedinger@singleton.com

Dear Mr. Lee and Ms. Lee,

Subject: CatalX books and records

CatalX CTS Ltd. and CatalX Management Ltd. (the "**CatalX**") has engaged Deloitte Restructuring Inc. ("**Deloitte**") to assist with wind-down activities.

We understand that Mr. Jae Ho Lee is the former director and CFO of CatalX and that Ms. Rachel Soon Jung Lee is the bookkeeper and may be in possession or have access to CatalX books and records.

Please provide Deloitte with all books and records in your possession, including those in the attached preliminary information request. Please prioritize items number 4 (investor list) and 15 (employee Records of Employment and T4s) and deliver these to Deloitte on or before January 5, 2024. Please provide the balance of the information request on or before January 12, 2024.

Should you have any questions or require further information, please contact Katie McKernan at (403) 267-1786 or kamckernan@deloitte.ca.

Yours sincerely,

DELOITTE RESTRUCTURING INC.

Cassie Poon, CIRP, LIT
Partner

Enclosures

Catalx CTS Ltd. - Preliminary Information Request List

2-Jan-24

Pursuant to the engagement of Deloitte Restructuring Inc. by Catalx CTS Ltd. to assist the Catalx CTS Ltd. and its subsidiaries (collectively "Catalx") in preparing for an orderly wind-down, we require the following information. This list is not intended to be exhaustive and other information may be requested during our review.

Item #	Description	Catalx CTS Ltd.	Catalx Management Ltd.
1	Annual Financial Statements for 2021, 2022, and 2023		
2	Corporate Tax Returns for 2021 and 2022		
3	Soft copy in excel format of monthly financial results (income statement, balance sheet and cash flow if available) for 2021, 2022, and 2023		
4	Investor listing including name, address, email, account numbers and account balances.		
5	Creditor listing including contact information, account numbers, and balances owing.		
6	Detailed fixed asset listing/register as well as details of any assets that have been disposed of within the past year		
7	A list summarizing all lease agreements held including a copy of each lease - Operating leases - Capital leases - Premise leases		
8	A copy of all management agreements and organizational charts.		
9	A list of all insurance policies held including: - Policy number - Broker contact information - Balance of outstanding premiums - List of outstanding claims or litigations - Copy of each policy		
10	Information on any outstanding insurance claims, pending litigation or liens filed		
11	A list of all Canada Revenue Agency ("CRA") accounts: - Corporate tax account numbers - GST account numbers - Payroll account numbers		
12	Confirm the status of each CRA account including: - Are filings up-to-date - A copy of the most recently filed return - Balance of amounts owing or refunds being held - Copies of the most recent Notice of Assessments		
13	List of all employees, including their position, length of employment, salary and other compensation and contact information.		
14	List of any outstanding amounts due to employees for payroll/ vacation pay.		
15	Copies of T4s for 2023 and records of employment for all employees		
16	List of all software used, including login and password information, crypto keys, etc.		

From: Poon, Cassie <caspoon@deloitte.ca>
Sent: Monday, January 8, 2024 8:18 PM
To: jae.lee@catalyx.io; rachel74.lee@gmail.com

Cc: 'David Edinger' <DEdinger@singleton.com>; Reid, James <jwreid@millerthomson.com>; D'Souza, John-David <jdsouza@millerthomson.com>; McGregor, Naomi <naomcmgregor@deloitte.ca>
Subject: [**EXT**] RE:CatalX Books and Records
Importance: High

Dear Mr. Lee and Ms. Song,

Further to my letter dated January 2, we have not receive any CatalX books and records to date. I note that deadline of January 5, 2024 to provide the investor list and employee ROEs and T4s has passed.

Please provide the above mentioned documents as soon as possible. And note the deadline of January 12, 2024 to provide the balance of the information request and any CatalX books and records in your possession is approaching.

Regards,

Cassie Poon
Partner | Turnaround & Restructuring
D: +1 (403) 267 1817
caspoon@deloitte.ca | [deloitte.ca](https://www.deloitte.ca)

Deloitte is proud to be a National Partner
of the Canadian Olympic team

Please consider the environment before printing.

From: Poon, Cassie
Sent: Tuesday, January 2, 2024 3:13 PM
To: jae.lee@catalyx.io; rachel74.lee@gmail.com
Cc: 'David Edinger' <DEdinger@singleton.com>; Reid, James <jwreid@millerthomson.com>; D'Souza, John-David <jdsouza@millerthomson.com>; McGregor, Naomi <naomcmgregor@deloitte.ca>
Subject: CatalX Books and Records

Dear Mr. Lee,

Please see attached letter.

Regards,

Cassie Poon
Partner | Turnaround & Restructuring
Financial Advisory
700, 850 2 Street SW, Calgary, AB, T2P 0R8, Canada
D: +1 (403) 267 1817
caspoon@deloitte.ca | [deloitte.ca](https://www.deloitte.ca)



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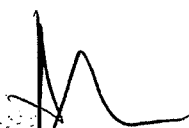
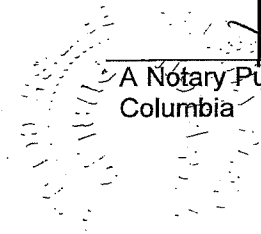
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[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

This is Exhibit "N" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024

A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

DEMAND PROMISSORY NOTE

Principal Amount: \$800,000.00

Date: December 24, 2023

For good and valuable consideration (the receipt of which is hereby acknowledged), the undersigned, CatalX CTS Ltd. (the "**Debtor**") being a corporation incorporated under the laws of the Province of Alberta, Canada, hereby promises to pay, **ON DEMAND**, to or to the order of Hyuk Jae Park (the "**Lender**") of Coquitlam, British Columbia, the principal sum of Eight Hundred Thousand (\$800,000.00) Canadian Dollars, together with interest at the rate of one (1%) percent per annum.

The undersigned waives presentment, demand, notice, protest, notice of protest and notice of dishonour and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Promissory Note.

Extension of time of payment of all or any part of the amount owing hereunder at any time or times and failure of the Lender to enforce any of its rights or remedies hereunder shall not release the Debtor from its obligations hereunder or constitute a waiver of the rights of the Lender to enforce any rights and remedies thereafter.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

DATED at Coquitlam, British Columbia effective the 24th day of December, 2023.

CATALX CTS LTD.

Per:


Name: Jae Park
Title: Director
I have the authority to bind the corporation

c/s

GENERAL SECURITY AGREEMENT

made by

CATALX CTS LTD.

in favour of

HYUK JAE PARK

dated as of

December 24, 2023

This GENERAL SECURITY AGREEMENT, dated as of December 24, 2023 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), is made by CatalX CTS Ltd., an Alberta corporation (the "**Debtor**"), in favour of Hyuk Jae Park, (the "**Secured Party**").

WHEREAS, the Secured Party and the Debtor have entered into a Promissory Note dated as of December 24, 2023 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Promissory Note**") under which the Debtor has made promise to repay the principal sum of \$800,000 CAD lent to the Debtor by the Secured Party (the "**Loan**").

WHEREAS the Debtor is in the process of winding-up its business and has provided the Loan to retain the services of its counsel Miller Thomson LLP and Deloitte LLP.

WHEREAS in addition to the Loan, there may be future amounts that may be loaned from the Secured Party to the Debtor pursuant to promissory notes, in addition to the Promissory Note, for the purposes of any investigation or proceedings which Deloitte LLP or Miller Thomson LLP, may require with respect to the wind-up of the business.

WHEREAS, this Agreement is given by the Debtor in favour of the Secured Party to secure the payment and performance of all of the Secured Obligations (defined below).

WHEREAS, it is a condition to the obligations of the Secured Party under the Promissory Note that the Debtor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the Secured Party entering into the Promissory Note and agreeing to make the Loan available to the Debtor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor agrees as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions.

- (a) Capitalized terms that are used but not defined in this Agreement shall have the respective meanings assigned to such terms in the Promissory Note. Unless otherwise defined herein or in the Promissory Note, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.

- (b) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" is defined in Section 2.1.

"Equity Interests" means, with respect to any Person, all of the securities, investment property, units, trust units, partnership, membership and other equity interests, participations, investment certificates, notes (or other ownership or profit interests in) in or of such Person (collectively, **"ownership interests"**), all of the warrants, options or other rights for the purchase or acquisition from such Person of ownership interests in such Person, all of the securities convertible into or exchangeable for ownership interests in such Person or warrants, rights or options for the purchase or acquisition from such Person of ownership interests, and all of the other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or non-voting, and whether or not such ownership interests are outstanding on any date of determination.

"Event of Default" means the happening of any one or more of the events or conditions described in section 12.1 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any Court or any order, rule or regulation of any administrative or governmental body.

"Excluded Asset" is defined in Section 2.3(a).

"Intellectual Property" means any intellectual or intangible property and proprietary rights (whether owned or licensed) including, without limitation, trademarks, trademark applications and registrations, service marks, trade styles, trade names, patents, patent applications and registrations, copyrights, copyright registrations and applications, works of authorship, industrial designs, industrial design applications and registrations, integrated circuit topographies, know-how and processes, trade secrets, inventions, formulas, processes, mask works, other business or technical confidential or proprietary information, software and computer hardware programs and systems, source codes, object codes, databases and documentation related to the foregoing, all domain names, internet addresses, internet sites and social media, including all related accounts, names and content and other proprietary information, and all rights to sue at law or in equity for any past, present, or future infringement, violation, misuse, misappropriation or other impairment thereof, whether arising under the laws of Canada, the laws of any Canadian province or territory or foreign laws or otherwise, including the right to receive injunctive relief and all proceeds and damages therefrom.

"Issuer" means a Person identified as an issuer of Pledged Securities.

"Person" means any corporation, company, partnership, association, unincorporated association, entity, trust, joint venture, individual, estate, sole proprietorship, institution or any governmental entity.

"Pledged Securities" means all of the issued and outstanding Equity Interests of each Issuer that are now or from time to time hereafter held by the Debtor.

"PPSA" means the *Personal Property Security Act* as in effect from time to time in the Province of Alberta.

“**Proceeds**” means “proceeds” as such term is defined in section 1(1) of the PPSA and, in any event, shall include, without limitation, all dividends or other income from the Collateral, collections thereon or distributions with respect thereto.

“**Receiver**” is defined in Section 12.4(i).

“**Secured Obligations**” is defined in Section 3.1.

“**Securities Accounts**” means the securities accounts of the Debtor.

“**STA**” means the *Securities Transfer Act*, SA 2006, c S-4.5 as in effect from time to time in the Province of Alberta

1.2 Interpretation.

Unless otherwise specified herein, all references to Sections herein are to Sections of this Agreement.

ARTICLE 2 GRANT OF SECURITY INTEREST

2.1 Grant of Security Interest.

As security for the payment and performance of the Secured Obligations, the Debtor hereby grants, assigns, transfers, sets over, mortgages, charges, and pledges to the Secured Party, and hereby creates a general and continuing security interest in favour of the Secured Party in and to all of the Debtor's right, title and interest in and to the following, wherever located, whether now existing or hereafter from time to time arising or acquired (collectively, the “**Collateral**”):

- (a) all present and after-acquired property, assets and undertaking of the Debtor of every kind and nature whatsoever, including all Accounts, Goods (including Inventory, Equipment and motor vehicles, but excluding Consumer Goods), Intangibles, Intellectual Property, Chattel Paper, Documents of Title, Instruments, Securities and all other Investment Property (including the Pledged Securities and the Securities Accounts), Money, and any other contract rights or rights to the payment of money;
- (b) all Proceeds and products of each of the foregoing, including any and all Proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to the Debtor from time to time with respect to any of the foregoing;
- (c) all books and records relating to the foregoing, including in any form or medium;
- (d) all supporting obligations relating to the foregoing; and
- (e) all additions, accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing.

The last day of the term of any lease, verbal or written, or any agreement to lease, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests hereby created, but should the Secured Party need to enforce against the Collateral, the Debtor shall hold the last date in trust for the Secured Party and shall assign it to any

person acquiring the term or that part of the term that is charged in the course of any enforcement or realization of the Collateral.

For greater certainty, (i) a security interest is taken in all of the Debtor's present and after acquired personal property; and (ii) the Collateral does not include any Consumer Goods.

2.2 Attachment of Security Interest.

The Debtor acknowledges that value has been given, that the Debtor has rights in the Collateral and that the parties have not agreed to postpone the time for attachment of any security interest in this Agreement. The Debtor acknowledges that any security interest in this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that the Debtor acquires rights in such after-acquired Collateral.

2.3 Limitation on Grant of Security Interest.

- (a) To the extent the grant of the security interest in respect of any contract, permit, lease, licence, instrument, document or other agreement entered into by the Debtor would result in the breach or termination of or cause a default under such contract, permit, lease, licence, instrument, or other agreement (each an "**Excluded Asset**"), each such Excluded Asset shall not be subject to the security interest created hereby while such restriction applies but shall be held in trust by the Debtor in favour of the Secured Party, but only for so long as such prohibition or requirement for consent is not terminated, rendered unenforceable or otherwise deemed ineffective by the PPSA or any other applicable law; provided however that Excluded Assets shall not include any Proceeds, products, substitutions or replacements of any Excluded Asset (unless such Proceeds, products, substitutions, or replacements would themselves otherwise constitute Excluded Assets) and provided further that if any Excluded Asset would have otherwise constituted Collateral, when such asset shall cease to be an Excluded Asset, such asset shall be deemed at all times from and after the date hereof to constitute Collateral subject to the security interest created hereby. The Debtor will use all commercially reasonable efforts to obtain the consent of each other party to any and all Excluded Assets to the assignment of such Excluded Assets to the Secured Party in accordance with this Agreement. The Debtor will also use all commercially reasonable efforts to ensure that no material agreement entered into on or after the date of this Agreement shall expressly prohibit assignment of the benefits of such agreement as collateral security to the Secured Party.
- (b) The security interest with respect to trademarks constitutes a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Secured Party, but does not constitute an assignment of such Collateral to the Secured Party.

ARTICLE 3 SECURED OBLIGATIONS

3.1 Secured Obligations.

The Collateral secures the payment and performance of all present and future obligations of the Debtor to the Secured Party from time to time including, without limitation, all present and future obligations of the Debtor arising under the Promissory Note, this Agreement or any other promissory notes of the Debtor with or to the Secured Party, whether primary whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Debtor alone or with another or others and whether as a principal or surety, and, without limiting the foregoing, the payment and discharge of: (i) the principal of and premium, if any, and interest on the Loan, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and (ii) all other present and future obligations and liabilities, including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities related thereto (all such obligations, covenants, duties, debts, liabilities, sums, fees and expenses being herein collectively called the "Secured Obligations").

ARTICLE 4 PERFECTION OF SECURITY INTEREST AND FURTHER ASSURANCES

4.1 Perfection.

The Debtor shall, from time to time, and at its expense, take all actions as may be requested by the Secured Party to perfect the security interest of the Secured Party in the Collateral.

4.2 Intellectual Property.

The Debtor hereby further authorizes the Secured Party to file with the Canadian Intellectual Property Office this Agreement and other required documents for the purpose of recording, perfecting, confirming, continuing, enforcing or protecting the security interests in Intellectual Property granted by the Debtor hereunder.

4.3 Tangible Chattel Paper, Documents of Title, Instruments.

If the Debtor shall at any time hold or acquire any promissory notes, tangible chattel paper, negotiable documents of title or warehouse receipts relating to the Collateral, the Debtor shall immediately endorse, assign and deliver possession of the same to the Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as the Secured Party may from time to time specify.

4.4 Control.

- (a) **Control Agreement.** Where Investment Property (i) is held in an account of a securities intermediary, the Debtor shall enter into, and use commercially reasonable efforts to cause any securities intermediary for any securities accounts or entitlements forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Debtor and said securities intermediary in a form and substance acceptable to the Secured Party;

and (ii) consists of uncertificated securities and is not held in an account of a securities intermediary, the Debtor shall enter into, and use commercially reasonable efforts to cause any issuer of uncertificated securities forming part of the Collateral to enter into, a securities account control agreement between the Secured Party, the Debtor and said issuer, in a form and substance acceptable to the Secured Party.

- (b) **Certificates.** The Debtor shall promptly, in a manner satisfactory to the Secured Party: (i) cause a security certificate to be issued for any Investment Property that is in the form of an uncertificated security to the extent that such request can be accommodated by the Issuer thereof; (ii) duly endorse all share certificates at any time held or acquired by it relating to the Collateral in blank for transfer or execute stock powers of attorney in blank in form and substance satisfactory to the Secured Party; (iii) deliver such share certificates and stock powers to the Secured Party; and (iv) take all other steps to give exclusive control over such certificated securities to the Secured Party.
- (c) **Electronic Chattel Paper.** Where Collateral includes electronic chattel paper, the Debtor shall take all commercially reasonable efforts required by the Secured Party to cause the record comprising such chattel paper to be created, stored and transferred in a manner satisfactory to the Secured Party and which will provide the Secured Party with control of the electronic chattel paper.

4.5 Copy of Verification Statement.

To the extent permitted by law, the Debtor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Secured Party in connection with the Secured Party's interest in the Collateral.

4.6 Further Assurances.

The Debtor agrees that, at any time and from time to time, at the expense of the Debtor, the Debtor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that the Secured Party may reasonably request to create and maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby (including, without limitation, providing the secured party with a fixed and specific mortgage) or to enable the Secured Party to exercise and enforce their rights and remedies hereunder or under any other Loan Document with respect to any Collateral.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties.

The Debtor represents and warrants as follows:

- (a) **Ownership and Title.** The Debtor is the sole, direct, legal and beneficial owner of, and has good marketable title to, all existing Collateral and shall be the sole, direct, legal and beneficial owner of, and have good marketable title to, each item

of after-acquired Collateral free and clear of all encumbrances except for the security interests created by this Agreement.

- (b) **Existence and Capacity.** The Debtor has been duly incorporated and validly exists under the laws of its jurisdiction of incorporation and has full power, capacity, authority and legal right to borrow, grant a security interest in the Collateral, execute and deliver this Agreement and perform its obligations under this Agreement and the full and correct name of the Grantor is set forth on the first page of this Agreement.
- (c) **Binding Obligation.** Each of this Agreement and the Promissory Note has been duly authorized, executed and delivered by the Debtor and constitutes a legal, valid and binding obligation of the Debtor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, arrangement, or other similar laws affecting creditors' rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).
- (d) **No Governmental or Regulatory Approvals.** No authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the borrowing of the Loan and the pledge by the Debtor of the Collateral under this Agreement or for the execution and delivery of the Promissory Note by the Debtor or the performance by the Debtor of its obligations thereunder.
- (e) **No Violation of Laws, Constatng Documents, Agreements.** The execution and delivery of the Promissory Note by the Debtor and the performance by the Debtor of its obligations thereunder, will not violate any provision of any Applicable Laws or any order, judgment, writ, award or decree of any court, arbitrator or governmental authority, domestic or foreign, applicable to the Debtor or any of its property, or the constating or governing documents of the Debtor or any agreement or instrument to which the Debtor is party or by which it or its property is bound.
- (f) **Pledged Securities Validly Issued.** The Pledged Securities and other Equity Interests have been duly authorized and validly issued and are fully paid and non-assessable and subject to no options to purchase or similar rights. No Person (other than the Debtor) has any right to acquire or cause to be issued to them any of the Pledged Securities or other Equity Interests.
- (g) **Delivery of Certificated Securities.** The Collateral does not include any certificated securities that the Debtor has not delivered to the Secured Party.
- (h) **Perfection by Control.** The Debtor has taken all action required on its part for control to have been obtained by the Secured Party over all Collateral with respect to which such control may be obtained pursuant to the PPSA and the STA. No person other than the Secured Party has control or possession of all or any part of the Collateral.
- (i) **Intellectual Property.** The Debtor owns the Intellectual Property free and clear of all encumbrances except for the security interests created by this Agreement.

ARTICLE 6 VOTING, DISTRIBUTIONS AND RECEIVABLES

6.1 Voting.

Unless a Default or an Event of Default shall have occurred and be continuing, the Debtor may, to the extent the Debtor has such right as a holder of the Collateral consisting of Investment Property, other Equity Interests or indebtedness owed by any obligor, vote and give consents, ratifications and waivers with respect thereto, except to the extent that, in the Secured Party's reasonable judgment, any such vote, consent, ratification or waiver would detract from the value thereof as Collateral or which would be inconsistent with or result in any violation of any provision of the Promissory Note or this Agreement.

6.2 Distributions.

The Debtor may, unless a Default or an Event of Default shall have occurred and be continuing, receive and retain all dividends and other distributions with respect to the Collateral consisting of securities (including Pledged Securities), other Equity Interests or indebtedness owed by any obligor.

6.3 Receivables.

After an Event of Default has occurred and is continuing, the Secured Party may, or at the request and option of the Secured Party, the Debtor shall: (i) notify account debtors of the Secured Party's security interests in any account, chattel paper, intangible, instrument or other Collateral; and (ii) direct that payment thereof is to be made directly to the Secured Party.

ARTICLE 7 COVENANTS

7.1 Covenants.

The Debtor covenants as follows:

- (a) **Consent re: Change of Legal Name and Place of Business.** The Debtor will not, except without providing at least 20 days' prior written notice to the Secured Party, change its legal name, jurisdiction of incorporation, corporate structure, or the province or territory in which its registered office, chief executive office or its principal place of business is located. The Debtor will, prior to any change described in the preceding sentence, take all actions requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.
- (b) **Consent re: Change of Location of Collateral.** The Collateral, to the extent not delivered to the Secured Party under Article 4, will be kept by the Debtor and, the Debtor will not remove the Collateral from its current locations without the Secured Party's prior written consent. The Debtor will, before any change described in the preceding sentence, take all actions required by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

- (c) **Dealing with Collateral: No Sale or Encumbrances.** The Debtor will not sell, dispose of, lease, assign or otherwise transfer any of the Collateral except in the ordinary course of business, or with the prior written consent of the Secured Party. The Debtor will not grant, create, permit or suffer to exist any encumbrances whatsoever on the Collateral except or with the prior written consent of the Secured Party.
- (d) **Maintenance and Protection of Collateral.** The Debtor will keep the Collateral in good order, condition and repair so as to protect and preserve the Collateral and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party. The Debtor will not use the Collateral in violation of this Agreement, or any other agreement relating to the Collateral or any policy of insurance thereon, or any Applicable Law. The Debtor will keep all licences, permits, agreements, registrations and applications relating to the Intellectual Property used by Debtor in good standing. The Debtor shall, at its own cost and expense, defend title to the Collateral and the security interests of the Secured Party therein against the claim or demand of any person claiming against or through the Debtor and shall maintain and preserve such perfected security interests for so long as this Agreement shall remain in effect.
- (e) **Performance of Obligations.** The Debtor will pay promptly when due all taxes, assessments, governmental charges, and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement. The Debtor shall perform all of its obligations under material agreements, leases, licences, arrangements to obtain and preserve its rights, powers, licences, privileges and goodwill thereunder and comply with all Applicable Laws, by-laws, rules and regulations so as to preserve and protect the Collateral and the Debtor's business.
- (f) **Access to Collateral, Inspection.** The Debtor will permit the Secured Party, and its representatives, agents, consultants and advisors, to inspect the Collateral from time to time and to examine and take extracts of its books and records (electronic or hard copy), at any reasonable time and on reasonable notice, wherever located. The Debtor shall, upon request by the Secured Party, provide the Secured Party with any information concerning the Collateral, the Debtor and its business, as the Secured Party may reasonably request, including access to the Debtor's senior executives, accountants and auditors to discuss any information concerning the Collateral.
- (g) **Notification.** The Debtor shall notify the Secured Party within five (5) business days of: (i) the details of any material acquisition of Collateral; (ii) the details of any material litigation in connection with the Debtor, the Collateral or the Debtor's business; (iii) any loss or damage to the Collateral or the value of the Collateral; and (iv) any default by any account debtor in the payment or performance of its obligations.
- (h) **Insurance.** The Debtor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as set out in the Promissory Note. Any insurance proceeds received by the Secured Party shall be applied against the Secured Obligations or released to the Debtor as set out in the Promissory Note, without prejudice to any rights or remedies of the Secured Party.

- (i) **Intellectual Property.** The Debtor will make and maintain all filings, registrations and recordings necessary to maintain its rights in the patents, trademarks, copyrights and industrial designs included in the Intellectual Property.

ARTICLE 8

SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS

8.1 Survival of Representations and Warranties and Covenants.

All representations, warranties and covenants made by the Debtor shall survive the execution and delivery of this Agreement and remain in full force and effect until the payment in full of the Secured Obligations.

ARTICLE 9

SECURED PARTY POWER OF ATTORNEY

9.1 Secured Party Power of Attorney.

The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or employee of the Secured Party as the Debtor's true and lawful attorney, with full power of substitution and with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time, in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to the Debtor representing any dividend, interest payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same, to transfer, endorse, negotiate and sign on behalf of the Debtor any of the Equity Interests, to complete the blanks in any transfers of shares, bonds or debentures, any power of attorney or other documents delivered to it, to provide instructions or entitlement orders to any securities intermediary which maintains any securities account in which any Collateral is maintained, and to delegate its powers and for any delegate to sub-delegate the same (but the Secured Party shall not be obligated to and shall have no liability to the Debtor or any third party for failure to do so or take any action). Such appointment, being coupled with an interest, shall be irrevocable until the full and final discharge of the security interests created by this Agreement. The Debtor hereby ratifies all acts that such attorneys shall lawfully do or cause to be done by virtue hereof.

ARTICLE 10

SECURED PARTY MAY PERFORM

10.1 Secured Party May Perform.

If the Debtor fails to perform any obligation contained in this Agreement, the Secured Party may itself perform, or cause performance of, such obligation, and the costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Debtor; provided that the Secured Party shall not be required to perform or discharge any obligation of the Debtor and the performance by the Secured Party shall not waive the rights of the Secured Party to enforce this Agreement.

ARTICLE 11 SET-OFF

11.1 Set-Off.

The Secured Party may, without notice to the Debtor or any other Person, any notice being expressly waived, set-off and apply all amounts standing to or for the credit of the Debtor from the Secured Party or any of the Secured Party's affiliates, in any currency, against and on account of all or any part of the Secured Obligations, all as the Secured Party may see fit (in its sole discretion), whether or not the Secured Obligations are due and payable. The Secured Party's records are proof of such recording absent manifest error. When applying a deposit or other obligation in a different currency than the Secured Obligations to the Secured Obligations, the Secured Party will convert the deposit or other obligation to the currency of the Secured Obligations using the rate of exchange for the conversion of such currency as determined by the Secured Party.

ARTICLE 12 REMEDIES UPON DEFAULT

12.1 Events of Default

The following constitute Events of Default and each an “**Event of Default**” and “**Default**”:

- (a) non-payment when due, whether by demand or otherwise, of any principal or interest forming part of the Secured Obligations;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favour of the Secured Party or any other person, firm or corporation;
- (c) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act*, *Companies Creditors Arrangement Act* or similar legislation in any jurisdiction;
- (d) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (e) any encumbrance or security interest affecting the Collateral becomes enforceable;
- (f) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;

- (g) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not-forming part of the Collateral);
- (h) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for 30 days after proceedings have been taken to enforce the same;
- (i) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal, provincial or territorial statute to remain unpaid for 30 days or more;
- (j) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the secured Party, the Debtor's business assets or the Collateral;
- (k) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Secured Party to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
- (l) there is any material adverse change in any of the facts disclosed to the Secured Party, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or
- (m) the Secured Party considers or deems, in its sole opinion, that the security interest and the Collateral are not sufficient security in relation to the extent of the indebtedness and Secured Obligations.

12.2 Right to Accelerate Payment.

Upon the occurrence of an Event of Default that is continuing, the Secured Party may, by notice, terminate any further advances and declare any or all of the Secured Obligations to be immediately due and payable, whereupon, all of the Secured Obligations shall become and be immediately due and payable without presentment, demand, protest or further notice, all of which are hereby expressly waived by the Debtor.

12.3 Enforcement of Security Interest.

Upon the occurrence of an Event of Default that is continuing, the Secured Party may proceed to realize upon the Collateral and immediately enforce its rights and remedies.

12.4 Remedies upon Default.

Upon the occurrence of an Event of Default that is continuing, the Secured Party may exercise, without any other notice to or demand upon the Debtor, in addition to the other rights and remedies provided herein or otherwise available to it, the following rights and

remedies (which rights and remedies may be exercised independently or in combination):

- (a) the Secured Party may assert all rights and remedies of a secured party under the PPSA or other Applicable Law;
- (b) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;
- (c) the Secured Party may take possession of the Collateral by requiring the Debtor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Secured Party at a place and time to be designated by the Secured Party;
- (d) the Secured Party may take possession of the Collateral by carrying on all or any part of the business of the Debtor, and may to the exclusion of all others, including the Debtor, enter upon, occupy and use any of the premises; buildings, plants and undertakings owned, occupied or used by the Debtor and may use any of the tools, machinery, equipment and intangibles (including Intellectual Property) of the Debtor for such time as the Secured Party sees fit, free of charge and without liability, in order to carry on the business of the Debtor or to manufacture or complete the manufacture of Inventory and to pack and ship finished products; and the Secured Party will not be liable to any Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on their part thereof as determined by a final non-appealable judgment of a court of competent jurisdiction) or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (e) the Secured Party may enter upon and occupy any land and premises owned, leased or occupied by the Debtor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Debtor;
- (f) the Secured Party may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Security Agreement;
- (g) the Secured Party may exercise and enforce all rights and remedies of the Debtor with respect to the Collateral, including collecting or compromising all or any of the Debtor's Accounts;
- (h) the Secured Party may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Secured Party may deem commercially reasonable;
- (i) the Secured Party may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Secured Party or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any Person so appointed. Any Receiver so appointed shall have, in addition to any other powers

afforded by the law, the same powers and authorities afforded to the Secured Party under this Article 12;

- (j) the Secured Party may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Secured Party under this Article 12;
- (k) all rights of the Debtor to: (i) exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.1; (ii) receive the dividends and other distributions which it would otherwise be entitled to receive and retain pursuant to Section 6.2, shall immediately cease, and all such rights shall thereupon become vested in the Secured Party, which shall have the sole right to exercise such voting and other consensual rights and receive and hold such dividends and other distributions as Collateral; and (iii) the Secured Party may require that the Debtor have any Equity Interests registered in the name of the Secured Party or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Equity Interests may at any time have; and
- (l) the Secured Party may retain the Collateral in satisfaction of the Secured Obligations.

The Secured Party shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, in respect of the Collateral.

12.5 Receiver Agent of Debtor.

In exercising any powers, any such Receiver so appointed shall act as agent of the Debtor and not the Secured Party and the Secured Party shall not in any way be responsible for any of the actions of the Receiver, its employees, agents and contractors. The Secured Party may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

12.6 Distribution of Proceeds.

Any cash held by the Secured Party as Collateral and all cash Proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied in whole or in part by the Secured Party to the payment of expenses incurred by the Secured Party in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Party hereunder, including reasonable legal and Receivers' fees, and the balance of such proceeds shall be applied or set-off against all or any part of the Secured Obligations in such order as the Secured Party shall elect, in its sole discretion. Any surplus of such cash or cash Proceeds held by the Secured Party and remaining after payment in full of all the Secured Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive such surplus. The Debtor shall remain liable for any deficiency if such cash and the cash Proceeds of any

sale or other realization of the Collateral are insufficient to pay the Secured Obligations and the fees and other charges of any solicitor employed by the Secured Party to collect such deficiency.

12.7 Debtor Pays Expenses.

The Debtor agrees to pay all reasonable expenses incurred by the Secured Party or any Receiver in the preparation, perfection and enforcement of this Agreement, whether directly incurred or for services rendered, including legal and auditor's fees and expenses and remuneration of any Receiver.

**ARTICLE 13
MISCELLANEOUS**

13.1 No Waiver and Cumulative Remedies.

The Secured Party shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

13.2 Amendments.

None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Debtor therefrom shall be effective unless the same shall be in writing and signed by the Secured Party and the Debtor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

13.3 Notices.

All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Promissory Note and shall be given in the manner and become effective as set forth in the Promissory Note.

13.4 Continuing Security Interest; Further Actions.

This Agreement shall create a general and continuing security interest in the Collateral and shall (a) subject to Section 13.6, remain in full force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Debtor, its successors and permitted assigns, and (c) enure to the benefit of the Secured Party and its successors, transferees and assigns; provided that the Debtor may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Secured Party. Without limiting the generality of the foregoing clause (c), any assignee of the Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

13.5 Assignment.

The Secured Party may assign or transfer any of its rights under this Agreement without the consent of the Debtor. The Debtor may not assign its obligations under this Agreement without the prior written consent of the Secured Party.

13.6 Termination; Release.

On the date on which all Secured Obligations have been paid and performed in full (as determined by the Secured Party in its sole discretion), the Secured Party will, at the request and sole expense of the Debtor (a) duly assign, transfer and deliver to or at the direction of the Debtor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Secured Party, together with any monies at the time held by the Secured Party hereunder, and (b) execute and deliver to the Debtor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

13.7 Acknowledgement.

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

13.8 Amalgamation.

The Debtor acknowledges that, if it amalgamates with another person, the term Debtor, when used in this Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Secured Obligations of each of the amalgamating corporations and the amalgamated corporation to the Secured Party at the time of the amalgamation and any Secured Obligations of the amalgamated corporation to the Secured Party thereafter arising.

13.9 Governing Law.

This Agreement and all matters arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable in that Province and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of Alberta.

13.10 Counterparts and Electronic Transmission.

This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement. The word “executed” and words of like import shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

13.11 Conflict with Promissory Note.

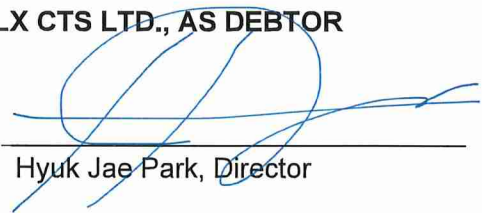
To the extent of any conflict or inconsistency between the terms of this Agreement and the terms of the Promissory Note, the terms of the Promissory Note shall govern to the extent necessary to remove the conflict or inconsistency.

[Signature page(s) follow(s)]

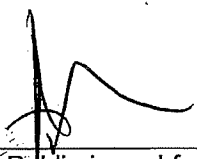
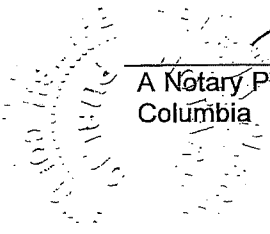
IN WITNESS WHEREOF, the Debtor has executed this Agreement as of the date first written above.

CATALX CTS LTD., AS DEBTOR

By:


Hyuk Jae Park, Director

This is Exhibit "O" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

Search ID #: Z16920215

Transmitting Party

MILLER THOMSON LLP

3000, 700 9 AVENUE SW
CALGARY, AB T2P 3V4

Party Code: 50062611
Phone #: 519 593 3217
Reference #: 0281594.0001

Search ID #: Z16920215

Date of Search: 2024-Jan-04

Time of Search: 11:09:08

Business Debtor Search For:

CATALX CTS LTD.

Exact Result(s) Only Found

NOTE:

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



Search ID #: Z16920215

Business Debtor Search For:

CATALX CTS LTD.

Search ID #: Z16920215

Date of Search: 2024-Jan-04

Time of Search: 11:09:08

Registration Number: 24010415762

Registration Date: 2024-Jan-04

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2029-Jan-04 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CATALX CTS LTD.
525 - 8TH AVENUE SW, 43RD FLOOR
CALGARY, AB T2P 1G1

Current

Secured Party / Parties

Block

Status

1 PARK, HYUK JAE
3523 FORST AVE
COQUITLAM, BC V3B 2W7
Email: jae@catalyx.io

Current

Collateral: General

Block

Description

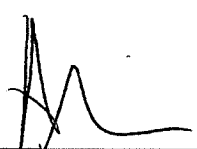
Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

Result Complete

This is Exhibit "P" referred to in the Affidavit of
Hyuk Jae Park sworn before me this 10th day of
January 2024



A Notary Public in and for the Province of British
Columbia

HELENA PLECKO
Barrister & Solicitor
FINESTRA LAW
Suite 200, 2227 ST. JOHNS STREET
PORT MOODY, B.C. V3H 2A6
TEL: 604-616-4233 FAX: 604-901-1032

Business Debtor - "Catalx CTS Ltd"

Search Date and Time: January 4, 2024 at 11:01:46 am Pacific time
Account Name: MILLER THOMSON LLP
Folio Number: 0281594.0001

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

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

Base Registration Number: 117486Q

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

CURRENT REGISTRATION INFORMATION

(as of January 4, 2024 at 11:01:46 am Pacific time)

Secured Party Information

PARK, HYUK JAE

Address

3523 FORST AVE
COQUITLAM BC
V3B 2W7 Canada

Debtor Information

CATALX CTS LTD.

Address

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

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

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

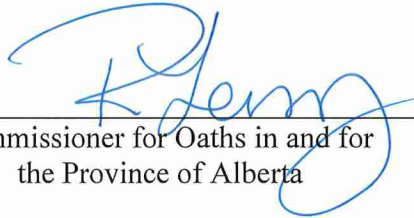
Original Registering Party

MILLER THOMSON LLP

Address

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

This is **Exhibit J** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026



COURT FILE NUMBER

2401-00457

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

APPLICANTS

CATALX CTS LTD. AND HYUK JAE PARK

RESPONDENTS

CATALX CTS LTD. and CATALX MANAGEMENT LTD.

DOCUMENT

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

DATED May 21 , 2024

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Receiver
DELOITTE RESTRUCTURING INC.
Suite 700, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Cassie Poon / Naomi McGregor
Tel: 403-267-1817 / 403-503-1423
Email: caspoon@deloitte.ca / naomcgregor@deloitte.ca

Legal Counsel
Burnet, Duckworth & Palmer LLP
2400, 525 - 8 Avenue SW
Calgary, AB T2P 1G1

Attention: David LeGeyt / Ryan Algar
Tel: 403-260-0210 / 403-260-0126
Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com

File No: 75083-3

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APPENDICES

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

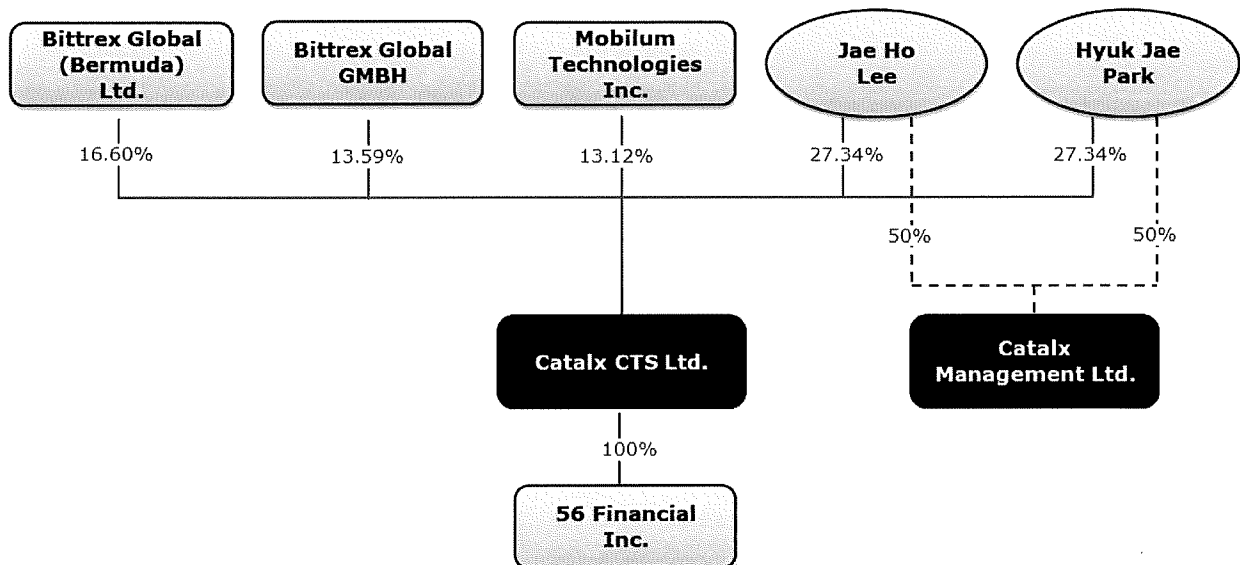
Appendix "B" – Alberta Personal Property Registry search results for Catalx CTS Ltd. and Catalx Management Ltd.

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

Appendix "D" – Alberta Securities Commission Extension Order

Introduction and Background

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



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

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

Purpose

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

Terms of Reference

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

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

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

Currency

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

Receiver's Activities

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

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

Operations

Catalx Platform and Wallet

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

Employees

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

Books and records

29. The Receiver understands based on various conversations with Management and former employees, that a majority if not all of the books and records of the Debtors are electronic and only accessible through online subscriptions and/or platforms.

30. The Receiver had been provided with login and password information to access the accounting records maintained through QuickBooks; however, has been unable to access the accounts due to the two (2) factor authentication settings. CML had set up the two-factor authentication verification codes to be sent to the Debtor's former bookkeeper. Despite the Receiver's requests, the Debtor's former bookkeeper failed to provide the verification codes.

31. Mr. Lee was asked to provide Catalx information multiple times, but only provided some of the requested information. Mr. Lee, through his counsel indicated that he no longer had access to certain web-based platforms that held Catalx books and records. Despite requesting assistance and books and records from Mr. Lee and the Debtors' former bookkeeper, the Receiver has had limited cooperation and has exhausted all efforts with respect to accessing the accounting records.

32. The Receiver contacted QuickBooks directly to obtain access to the Debtor's books and records; however, QuickBooks has yet to grant the Receiver access.

33. Mr. Park has continued to assist the Receiver and has cooperated with all information and other requests.

Primary Assets

Cash in bank

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

Exchange trading accounts

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

Investments

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

Intangible assets

37. The Debtor's intangible assets are comprised of:

- a) Catalx's IT software research and development expenditures; and

b) The acquisition of a customer list from Bittrex in August 2022.

38. As at the date of this First Report, the realizable value of the intangible assets is unknown but likely immaterial.

Creditors and Secured Charges

39. On December 4, 2023, DRI obtained Alberta Personal Property Registry searches for the Debtors, attached hereto as **Appendix "B"**, which reflected no registrations against the Companies.

40. On January 25, 2024, the Receiver obtained British Columbia Personal Property Registry searches for the Debtors, attached hereto as **Appendix "C"**, which reflected registrations on behalf of two (2) creditors as follows:

- a) Mr. Park regarding the Park Security. Mr. Park advanced funds to Catalx by way of a promissory note, which is secured by a General Security Agreement, in order for Catalx to engage DRI, Deloitte, and Catalx's legal counsel; and
- b) ESFC Funding Co., LLC operating as Easily provided financing to CML similar to a factoring arrangement whereby it loaned funds upfront to CML in exchange for security in a greater amount payable to CML in Scientific Research and Experimental Development tax credits, which is secured by a General Security Agreement.

41. The validity, enforceability, and priority of each creditor's security will be reviewed by the Receiver's legal counsel in due course.

42. The Receiver understands that there are unremitted source deduction owed by Catalx to CRA in the amount of approximately \$262,000. CRA has advised the Receiver that it will not be conducting payroll or GST audits due to the lack of books and records in the Receiver's possession. CRA may schedule audits at a later date if additional books and records are obtained. Depending on CRA audit results, additional tax liabilities may be assessed should CRA be able to complete the audits.

43. As at the Date of Receivership, there were eight (8) employee claims for outstanding wages, vacation pay, severance, and termination pay totalling approximately \$121,000. Should Service Canada accept the employee claims under WEPPA, there will be a priority claim against CML of up to approximately \$16,000.

44. The Receiver has identified 9,902 customers with potential claims against the Debtors totalling approximately USD\$13,958,536 as at the Date of Receivership.

45. Due to not having access to the accounting records of the Debtors, the Receiver has been unable to identify the number of unsecured trade creditors and the quantum of their potential claims.

ASC Investigation

46. As previously discussed in this First Report, the ASC commenced an investigation after being notified of unauthorized transactions in the Catalx Wallet and issued an Interim Cease Trade Order which was effective from December 21, 2023 to January 5, 2024.

47. On January 5, 2024, the ASC extended the cease trade order by 12 months (the "**Extension Order**") to January 5, 2025. A copy of the Extension Order is attached here to as **Appendix "D"**.

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

Forensic Investigation

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

Summary of Preliminary Findings

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

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

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

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

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

Restrictions and Qualifications of the Forensic Investigation

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

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

Professional Fees and Disbursements

Fees and Disbursements of the Receiver

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

Fees and Disbursements of Legal Counsel

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

Interim Statement of Receipts and Disbursements

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

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

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

Conclusions and Recommendations

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

* * *

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

DELOITTE RESTRUCTURING INC.,

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



Cassie Poon, CIRP, LIT
Senior Vice-President

APPENDIX "A"

COURT FILE NUMBER 2401-00457
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

APPLICANTS CATALX CTS LTD. and HYUK JAE PARK
RESPONDENTS CATALX CTS LTD. and CATALX MANAGEMENT LTD.

DOCUMENT **RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
MILLER THOMSON LLP
Barristers and Solicitors
525 – 9th Avenue SW, 43rd Floor
Calgary, AB, T2P 1G1

Attention: James W. Reid / John-David D'Souza
Phone: 403-298-2418 / 403-298-2431
E-mail: jwreid@millerthomson.com /
jdsouza@millerthomson.com

File No.: 0281594.0001

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

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

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

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

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

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

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

Appointment

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

Receiver’s Powers

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

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

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

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

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

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

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

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

Duty to Provide Access and Co-operation to the Receiver

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

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

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

No Proceedings Against the Receiver

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

No Proceedings Against the Companies or the Property

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

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

No Exercise of Rights of Remedies

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

No Interference with the Receiver

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Companies, except with the written consent of the Companies and the Receiver, or leave of this Court.

Continuation of Services

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Companies, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Companies,

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

Receiver to Hold Funds

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

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

Employees

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

Limitation on Environmental Liabilities

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

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

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

Limitation on the Receiver's Liability

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

Receiver's Accounts

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

Funding of the Receivership

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

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

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

Allocation

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

General

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

28. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
29. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
30. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Filing

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

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

(a) serving the same on:

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

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

and service on any other person is hereby dispensed with.

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



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

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

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

DATED the _____ day of _____, 2024.

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

Per: _____
Name:
Title:

APPENDIX "B"

Search ID #: Z16835865

Transmitting Party

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

10011 170 STREET
EDMONTON, AB T5P 4R5

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

Search ID #: Z16835865

Date of Search: 2023-Dec-04

Time of Search: 14:20:21

Business Debtor Search For:

CATALX CTS LTD.

No Result(s) Found

NOTE:

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

Result Complete



Search ID #: Z16835862

Transmitting Party

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

10011 170 STREET
EDMONTON, AB T5P 4R5

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

Search ID #: Z16835862

Date of Search: 2023-Dec-04

Time of Search: 14:19:57

Business Debtor Search For:

CATALX MANAGEMENT LTD.

No Result(s) Found

NOTE:

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

Result Complete



APPENDIX "C"

Business Debtor - "CATALX CTS LTD."

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

TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

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

Base Registration Number: 117486Q

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

CURRENT REGISTRATION INFORMATION

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

Secured Party Information

PARK, HYUK JAE

Address

3523 FORST AVE
COQUITLAM BC
V3B 2W7 Canada

Debtor Information

CATALX CTS LTD.

Address

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

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

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

Original Registering Party

MILLER THOMSON LLP

Address

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

Business Debtor - "CATALX MANAGEMENT LTD."

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

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1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

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

Base Registration Number: 794173P

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

CURRENT REGISTRATION INFORMATION

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

Secured Party Information

ESFC FUNDING CO., LLC

Address

251 LITTLE FALLS DRIVE
WILMINGTON DE
19808 United States of America

Debtor Information

CATALX MANAGEMENT LTD.

Address

18225 98 AVENUE
SURREY BC
V4N 5A9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

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

Original Registering Party

ESC CORPORATE SERVICES LTD.

Address

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

APPENDIX "D"

ALBERTA SECURITIES COMMISSION

INTERIM ORDER: EXTENSION

Citation: Re CatalX CTS Ltd., 2024 ABASC 5

Date: 20240105

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

Background

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

Order

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

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

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

January 5, 2024

For the Commission:

"original signed by"
Tom Cotter

"original signed by"
Kari Horn



www.deloitte.ca

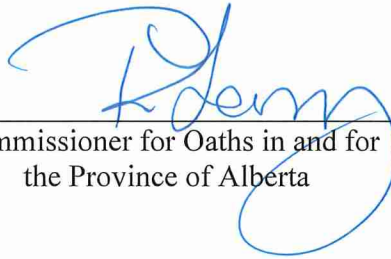
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This is **Exhibit K** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026



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

**SECOND AND FINAL REPORT OF THE COURT-APPOINTED
RECEIVER OF CATALX CTS LTD. and CATALX MANAGEMENT
LTD.**

DATED JUNE 6 , 2025

PREPARED BY DELOITTE RESTRUCTURING INC.

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Receiver
DELOITTE RESTRUCTURING INC.
Suite 700, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attention: Jeff Keeble/ Naomi McGregor
Tel: 604-235-4197/ 403-503-1423
Email: jkeeble@deloitte.ca / naomcgregor@deloitte.ca

Legal Counsel
Burnet, Duckworth & Palmer LLP
2400, 525 - 8 Avenue SW
Calgary, AB T2P 1G1

Attention: David LeGeyt / Ryan Algar
Tel: 403-260-0210 / 403-260-0126
Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com

File No: 75083-3

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APPENDICES

Appendix "A" – Order pronounced on May 28, 2024

Appendix "B" – Proposal Trustee's Report on the Proposal

Appendix "C" – Statement of Receipts and Disbursements for the period January 19, 2024, to May 30, 2025

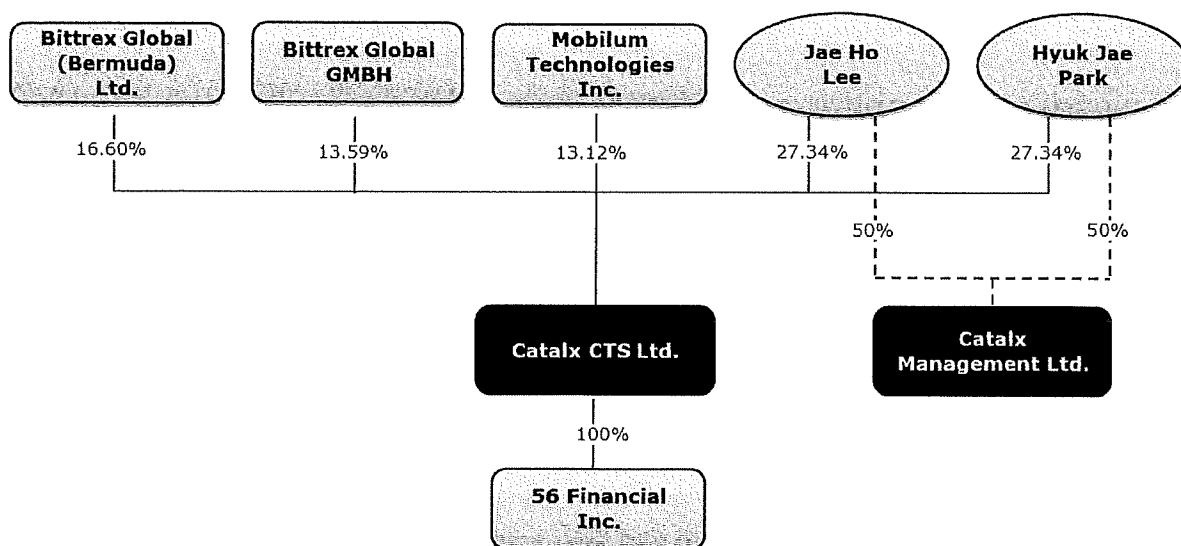
Appendix "D" – Variation Order pronounced on November 19, 2024

Appendix "E" – Summary of Receiver Fees

Appendix "F" – Summary of Legal Fees

Introduction and Background

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



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

9. In November 2023, Bittrex announced its decision to wind down its operations and all trading activity and Bittrex was disabled effective December 4, 2023.
10. In light of the Bittrex wind down and certain other financial difficulties, the Debtors determined it was not feasible to continue operations and ceased customer withdrawals in November 2023.
11. On December 21, 2023, Catalx, through its legal counsel, notified the Alberta Securities Commission (the "**ASC**") of unauthorized transactions in the digital wallets and accounts at Bittrex that holds Catalx's Crypto and the Crypto of Catalx customers (the "**Catalx Wallet**"). The ASC immediately commenced an investigation and issued an Interim Cease Trade Order which was lifted by the ASC in January 2025.
12. Effective December 22, 2023, all CMI employees were terminated, and operations ceased.
13. On December 21, 2023, DRI was engaged by Catalx to assist the Debtors in an orderly wind-down of the Companies. Deloitte LLP ("**Deloitte**") was also engaged by counsel to Catalx to provide independent and impartial forensic and investigative services in connection to the tracing of Crypto that was to be held by Catalx for its customers in its Bittrex accounts.
14. On January 17, 2024, the proposed receiver's report (the "**Proposed Receiver's Report**") was filed. Its purpose was to provide the Court with background on Catalx and an update on the activities of DRI and Deloitte. The Proposed Receiver's Report was also filed in support of the Receivership Order which was granted as a result of an application by Catalx and Mr. Park, who holds registered security over the Companies present and after acquired personal property (the "**Park Security**"). The Debtors consented to the Receivership Order.
15. On May 21, 2024, the first report of the Receiver (the "**First Report**") was filed in support of the Order pronounced on May 28, 2024 (the "**May 28 Order**"), approving the accounts and activities of the Receiver and those of its legal counsel. The First Report also provided a fulsome update with respect to the forensic investigation conducted by Deloitte. A copy of the May 28 Order is attached hereto as **Appendix "A"**.
16. On May 14, 2025, Catalx filed a proposal (the "**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 Proposal Proceedings**"). DRI, a Licensed Insolvency Trustee (the "**Proposal Trustee**"), has consented to act, and was appointed as Proposal Trustee in the BIA Proposal Proceedings for Catalx. A copy of the Proposal Trustee's Report on the Proposal, along with the Proposal, is attached hereto as **Appendix "B"**.
17. The Receivership Order, related court documents, the Proposed Receiver's Report, the Notice to Creditors, the First Report, and this second report of the Receiver (the "**Second Report**") are posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx>.
18. Unless otherwise stated, all other capitalized terms not defined in this Second Report are as defined in the Receivership Order or the First Report.

Purpose

19. The purpose of this Second Report is to:
 - a) Provide an update on the administration of the receivership since the First Report;
 - b) Provide an update on the administration of the Proposal; and
 - c) Respectfully recommend that this Honourable Court make orders:
 - i. Approving the activities, fees, and disbursements of the Receiver as described in this Second Report, including the payment of the estimated fees to be incurred up to the completion of the administration of the estate as set out herein and, without limitation, the steps taken by the Receiver pursuant to the Receivership Order;

- ii. Approving the fees of the Receiver's legal counsel including the payment of the estimated fees to be incurred up to the completion of the administration of the estate, as set out herein;
- iii. Approving the Receiver's Statement of Receipts and Disbursements for the period from January 19, 2024, to April 10, 2025 (the "**SRD**") attached hereto as **Appendix "C"**;
- iv. Approving the discharge of the Receiver and terminating these receivership proceedings upon the filing of a Receiver's Certificate confirming the disbursement of all funds held and the conclusion of all remaining administrative matters;
- v. Authorizing the Receiver to destroy the Debtor's corporate books and records if not claimed and return courier paid for by an Applicant or Respondent in these proceedings within thirty (30) days of the Receiver's discharge; and
- vi. Providing such further or other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

20. In preparing this Second Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management and agents (collectively "**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Second Report.
21. The Receiver and Deloitte assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Second Report. Any use, which any party makes of the Second Report, or any reliance or decision to be made based on the Second Report, is the sole responsibility of such party.

Currency

22. All dollar amounts in this Second Report are in Canadian dollars, unless otherwise indicated.

Receiver's Activities

23. The Receiver has undertaken and performed the following activities since the First Report:
 - a. Concluded a forensic review of the Catalx blockchain and other transactions;
 - b. Corresponded with Management, regarding various matters including, but not limited to, the location of the Debtors' books and records, accessing all online accounts, status of customer accounts, and the status of the forensic investigation;
 - c. Corresponded with Mr. Lee through his legal counsel regarding various matters including, but not limited to, the location of the Debtors' books and records, accessing all online accounts, status of customer accounts, and compliance with the Variation Order issued by the ASC, as further discussed later in the Second Report;
 - d. Corresponded with the ASC regarding investigation efforts, the Cease Trade Order, and the Variation Order;

- e. Corresponded with Bittrex regarding Catalx accounts and arranging the transfer of crypto assets to the Receiver. All crypto assets held by Bittrex were transferred to the Receiver effective February 28, 2025;
- f. Engaged Bitbuy to liquidate the crypto assets received from Bittrex. The Receiver completed the liquidation of all available crypto assets on March 5, 2025 totaling approximately \$179,000;
- g. Addressed post-receivership Goods and Services Tax ("**GST**") matters;
- h. Corresponded with CRA regarding its deemed trust audits for the pre-receivership periods;
- i. Finalized the employee claims process under the Wage Earner Protection Program Act;
- j. Prepared and updated from time to time an operating receivership cash flow;
- k. Corresponded with Burnet, Duckworth & Palmer LLP ("**BDP**"), the Receiver's independent legal counsel, on various legal matters relating to these receivership proceedings;
- l. Corresponded with creditors, customers, and other stakeholders;
- m. Coordinated with Mr. Park and the Proposal Trustee in respect of the Proposal;
- n. Prepared, reviewed, and finalized this Second Report; and
- o. Addressed additional matters of both a general and specific nature as they arose from time to time.

Forensic Investigation

- 24. Details with respect to the preliminary findings of the forensic investigation are provided in paragraphs 49 through 73 of the First Report.
- 25. The Receiver understands that the ASC investigation, as discussed in paragraphs 45 through 47 of the First Report, remains ongoing. Since the First Report, the Receiver in consultation with Deloitte, provided information related to Deloitte's forensic investigation and preliminary findings to the ASC.
- 26. Deloitte has ceased conducting additional work on the forensic investigation at the request of the Receiver and has no further findings to share as at the date of this Second Report. The Receiver and Deloitte will continue to cooperate with the ASC, other judicial bodies, and law enforcement where it is necessary and appropriate to do so.

Variation Order

- 27. On June 28, 2024, Mr. Lee advised the Receiver that he possessed Catalx assets totaling approximately USD\$16,000. Mr. Lee further advised that he would redeem the cryptocurrency he held and transfer the balance in fiat currency to the Receiver upon a variance of the Ceased Trade Order.
- 28. On November 19, 2024, the ASC issued a Variation Order, attached hereto as **Appendix "D"**, authorizing Mr. Lee to convert certain cryptocurrency into Canadian currency for distribution to the Receiver.
- 29. On November 20, 2024, the Receiver, through its legal counsel, provided Mr. Lee and his legal counsel with the necessary banking information to facilitate such a distribution. After multiple follow up attempts

made by the Receiver and its legal counsel, on March 18, 2025, funds in the amount of approximately \$23,000 were deposited into the Receiver's trust account (the "**March 18 Payment**").

30. Mr. Lee, via his legal counsel, has stated that the March 18 Payment constitutes the final payment for all of Catalx's assets in Mr. Lee's possession.

CRA Matter

31. CRA attended the Receiver's office on or around February 26, 2025 to complete its audit of the CMI payroll account and confirmed no deemed trust amounts owing.
32. Subsequent to the completion of the audit, Mr. Lee filed a T4 slip for employment income of approximately \$85,000 for the calendar year 2024 and as a result CRA has reassessed the CMI payroll account for payroll source deductions arrears of approximately \$6,300.
33. The Receiver is of the view the 2024 T4 slip filed by Mr. Lee is potentially fraudulent and/or has been filed in error for the following reasons:
- a) Effective December 22, 2023, all CMI employees were terminated, and operations ceased;
 - b) There is no record of the individual receiving the 2024 T4 slip in the available books and records of CMI;
 - c) The Receiver took possession and control of CMI on January 19, 2024 and did not contract, hire, or engage the individual receiving the 2024 T4 slip;
 - d) All known bank accounts held by CMI at the Date of Receivership were frozen and closed by the Receiver; and
 - e) The Receiver did not authorize or facilitate any payments to this individual.
34. Consequently, the Receiver is disputing the assessed payroll source deduction arrears with CRA and has requested the 2024 T4 slip filed by Mr. Lee be cancelled and the payroll source deduction arrears be reversed.

Proposal

35. Catalx filed the Proposal with the Proposal Trustee on May 14, 2025. Details with respect to the Proposal are provided in the Proposal Trustee's Report on the Proposal attached hereto, along with the Proposal, as **Appendix "B"**.
36. Unless otherwise stated, all capitalized terms not defined in this section of the Second Report are as defined in the Proposal.
37. The key terms of the Proposal are as follows:
- a) The Proposal outlines three funding sources:
 - i) Mr. Jae Park (the "**Proposal Sponsor**"), along with the current and former directors of Catalx sponsoring the Proposal (the "**Participating Directors**"), which specifically excludes Mr. Jae Ho Lee, will advance a total of \$210,000 (the "**Proposal Proceeds**");

- ii) Residual balance in the receivership estate, currently estimated to be \$96,000 (the **"Receivership Proceeds"**); and
 - iii) Any proceeds from the investigations of the ASC or RCMP within 6 months of the implementation date of the Proposal .
 - b) All creditors would form a single class of unsecured creditors, with any amounts available for distribution to be allocated on a pro-rata basis.
 - c) Claims denominated in currencies commonly known as Crypto, will be converted to Canadian Dollars at the fair market value of the crypto currency at 12:00 pm (MST) on May 14, 2025.
 - d) The following are conditions precedent to the implementation of the Proposal:
 - i) The required majority of the unsecured creditors accept the Proposal;
 - ii) The Court approves the Proposal, including the Releases in respect of the Released Parties;
 - iii) The Proposal Proceeds are paid to the Proposal Trustee within 30 days of Court approval; and
 - iv) The Receivership Proceeds are paid to the Proposal Trustee upon the discharge of the Receiver.
 - e) The Proposal provides comprehensive Releases for Catalx and the Participating Directors, covering a wide range of claims, both known and unknown, related to Catalx's business and affairs before the Implementation Date; however, the Releases specifically exclude claims related to contractual rights of creditors rising from contracts with the directors and claims based on allegations of misrepresentation made by the directors to creditors or wrongful or oppressive conduct by directors. These exclusions help ensure that creditors' essential rights and statutory protections remain intact. The Releases aim to balance the interests of Catalx, the Participating Directors, and the creditors.
 - f) In a bankruptcy scenario for Catalx there is no anticipated recovery for unsecured creditors. The Proposal provides for a greater recovery to the unsecured creditors, and the Proposal Trustee recommended acceptance of the Proposal.
38. On June 2, 2025, the first meeting of creditors was held in the BIA Proposal Proceedings and the Proposal was approved by the required majority of creditors of Catalx. The Proposal Trustee has scheduled a Court application on June 20, 2025 to have the Proposal approved by the Court.

Professional Fees and Disbursements

Fees and Disbursements of the Receiver

39. The Receiver's professional fees are calculated based on hours spent at rates established for each professional based on their qualifications and experience.
40. The Receiver's fees and disbursements in relation to the administration of the Receivership, up to and including May 30, 2025, total approximately \$272,200 (excluding GST). This total comprises five (5) interim invoices for Receiver's fees and disbursements from December 27, 2023 to March 20, 2025 totalling approximately \$259,700 and estimated costs to complete these receivership proceedings of \$12,500 (excluding GST) on the basis that all relief sought in this Second Report is granted by this Honourable Court.

41. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are reasonable in the circumstances. A summary of the invoices is attached hereto as **Appendix "E"**. Detailed time records supporting the invoices are available in the office of the Receiver.

Fees and Disbursements of Legal Counsel

42. The Receiver's legal counsel's cumulative fees and disbursements on this matter total approximately \$145,000 (excluding GST) to May 30, 2025 with estimated costs to complete these receivership proceedings of \$20,000 (excluding GST) on the basis that all relief sought in this Second Report is granted by this Honourable Court. The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are reasonable and appropriate in the circumstances. A summary of the invoices is attached hereto as **Appendix "F"**. Detailed time records supporting the invoices are available in BDP's offices.

Final Statement of Receipts and Disbursements

43. The interim Statement of Receipts and Disbursements reflecting the administration of the receivership for the period January 19, 2024 to May 30, 2025 is summarized below and attached hereto as **Appendix "C"**.

	Total
Receipts	1,014,166
Disbursements	(870,617)
Estate balances as at May 30, 2025	143,549
Holdback for the completion of the receivership administration	(47,085)
Estimated estate fund available for distribution	96,464
Estimated funds available for Division I Proposal	96,464
Estimated estate balance	-

44. The activities of the Receiver and Deloitte were funded by two guarantor deposits totalling \$750,000 from Mr. Park which forms the Park Security. The funds are third party funds and do not, directly, or indirectly, in whole or in part, form the Companies' assets.
45. Total receipts were approximately \$1.0 million and total disbursements were approximately \$848,000. It is anticipated that the estimated estate balance, after settling all remaining estate liabilities to complete the receivership administration, will be paid to the Proposal Trustee as contemplated in the Proposal.

Remaining Activities and Discharge of Receiver

46. The Receiver has concluded the majority of its administration of the receivership. The remaining tasks to conclude the receivership proceedings are as follows:
- a) Settle any remaining estate liabilities and payment of professional fees in the discretion of the Receiver;
 - b) Close the CMI CRA payroll account;
 - c) Prepare a final statutory report and file same with the Office of the Superintendent of Bankruptcy in accordance with subsection 246(3) of the *Bankruptcy and Insolvency Act*;

- d) Distribute the Receivership Proceeds to the Proposal Trustee; and
 - e) Close the Receiver's trust accounts.
47. Other than the matters addressed in this Second Report, the Receiver has completed its administration of the estate in accordance with the terms of the Receivership Order rendered by the Court. The Receiver is not aware of its services being required for any further purpose other than as set out herein.
48. Accordingly, the Receiver is seeking its discharge which will be effective upon the filing of a Receiver's Certificate certifying completion of the remaining tasks outlined in paragraph 46 above.

Conclusions and Recommendations

49. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 19(c) of the Second Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 6th day of June 2025.

DELOITTE RESTRUCTURING INC.,

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



Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix "A"

Appendix not included

Appendix "B"

Appendix not included

APPENDIX "C"

**In the Matter of the Receivership of Catalx CTS Ltd. and
Catalx Management Ltd.
Combined Statement of Receipts and Disbursements
As at May 30, 2025
(All amounts in \$CAD)**

	Total
Receipts	
Guarantor deposit	750,000
Sale of assets	178,695
Cash on hand	51,580
Funds from Mr. Lee	23,149
Interest	9,043
Insurance refund	1,700
Transfer to (from) other accounts	-
Total receipts	1,014,166
Disbursements	
Forensic Investigation	(457,272)
Receivers Fees	(218,796)
Legal fees	(73,900)
Operating costs	(48,852)
HST paid	(39,784)
Contract services	(15,408)
WEPP Deemed Trust	(16,000)
Bank charges	(456)
Filing fees to the Official Receiver	(151)
Total disbursements	(870,617)
Estate balances as at May 30, 2025	143,549
Accruals:	
Legal fees	(20,000)
Operating costs	(12,960)
Receiver's fees	(12,500)
GST paid	(1,625)
Estimated funds available for Division I Proposal	96,464

APPENDIX "D"

ALBERTA SECURITIES COMMISSION

VARIATION ORDER

Citation: Re CatalX CTS Ltd., 2024 ABASC 178

Date: 20241119

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

Background

1. On December 21, 2023, the Alberta Securities Commission (the **Commission**) issued an order (the **Interim Order**, cited as *Re CatalX CTS Ltd.*, 2023 ABASC 167) pursuant to ss. 33 and 198(1) of the *Securities Act* (Alberta) (the **Act**) that, among other things, CatalX CTS Ltd. (**Catalyx**) and Jae Ho Lee (**Lee**) cease trading in or purchasing any securities or derivatives.
2. On January 5, 2024, the Commission extended the Interim Order for a period of 12 months (*Re CatalX CTS Ltd.*, 2024 ABASC 5).
3. On November 15, 2024, Staff (**Staff**) of the Commission issued a Notice of Application (*Re CatalX CTS Ltd.*, 2024 ABASC 177) seeking to vary the Interim Order to permit Lee to convert certain cryptocurrency into Canadian currency for distribution to Deloitte Restructuring Inc. (the **Receiver**) pursuant to the Receivership Order (defined below) (the **Variation Application**).
4. The Variation Application has been made on the following grounds:
 - (a) the Court of King's Bench of Alberta made an order on January 19, 2024 placing the assets of Catalyx into receivership (the **Receivership Order**);
 - (b) pursuant to the terms of the Receivership Order, Lee is required to deliver Catalyx assets to the Receiver;
 - (c) the Interim Order prevents Lee from converting cryptocurrency into Canadian currency for distribution to the Receiver; and
 - (d) Catalyx, Lee, and the Receiver have consented to the variation sought.
5. The Commission has determined that it is not prejudicial to the public interest to grant the Variation Application, having considered the parties' consent to the terms of the order sought and that the Interim Order will otherwise continue in effect.

Order

6. Pursuant to s. 214(1) of the Act, paragraph 8(a) of the Interim Order is varied to permit Lee to convert the cryptocurrency Tether (USDT), that is the property of Catalyx, into Canadian currency, for the sole purpose of distributing the proceeds to the Receiver.

November 19, 2024

For the Commission:

"original signed by"
Tom Cotter

"original signed by"
Kari Horn, K.C.

APPENDIX "E"

In the Matter of the Receivership of Catalx CTS Ltd. and Catalx Management Ltd.

Summary of Receiver's Fees

As at May 30, 2025

Invoice	Invoice date	Period	Fees	Subtotal	GST on Fees	Total
8004550798	12-Mar-24	December 27, 2023 to February 23, 2024	93,045	93,045	4,652	97,697
8004814161	23-May-24	February 29, 2024 to May 9, 2024	35,342	42,102	1,767	37,109
8005089308	21-Aug-24	May 10, 2024 to July 22, 2024	30,262	31,294	1,513	31,775
8005683789	11-Feb-25	July 24, 2024 to February 4, 2025	44,500	50,985	2,225	46,724
8005839500	25-Mar-25	February 4, 2025 to March 20, 2025	11,217	15,648	561	11,778
			214,365	259,738	7,932	225,083
Accrual to close			12,500	12,500	625	13,125
Total			226,865	272,238	8,557	238,208

APPENDIX "F"

**In the Matter of the Receivership of Catalx CTS Ltd. and
Summary of Receiver's Legal Counsel's Fees
As at May 30, 2025**

Invoice	Date	Fees	Disbursements	GST	Total
203485764	26-Mar-24	45,541	42	2,279	47,861
203486598	24-Apr-24	8,990		449	9,439
203487165	14-May-24	10,281	17	515	10,813
203487550	6-Jun-24	19,611	390	996	20,996
203488189	4-Jul-24	23,646		1,182	24,828
203489198	31-Jul-24	8,306		415	8,721
203489201	31-Jul-24	333		17	350
203489818	31-Aug-24	3,973		199	4,172
203490184	30-Sep-24	4,732		237	4,969
203491480	13-Nov-24	2,639		132	2,771
203491766	29-Nov-24	5,501		275	5,776
203492675	8-Jan-25	2,897		145	3,041
203493970	29-Jan-25	2,318		116	2,433
203495543	4-Apr-25	4,298	4	215	4,516
203496533	7-May-25	1,815		91	1,905
		144,877	449	7,171	146,169
Accrual to close		20,000		1,000	21,000
Total		164,877	449	8,171	167,169



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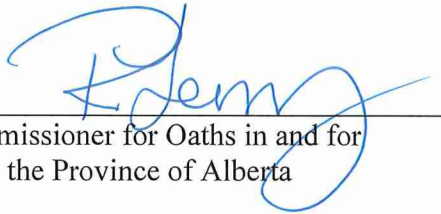
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This is **Exhibit L** to the Affidavit of Regie Agcaoili,
sworn before me at the City of Calgary, in the Province of
Alberta, this 24th day of October, 2025.



Commissioner for Oaths in and for
the Province of Alberta

Robyn Dawn Lenz
Commissioner for Oaths
in and for the Province of Alberta
My commission expires on November 19, 2026

**Crypto Asset Trading Platforms
Pre-Registration Activities Undertaking**

To: The Alberta Securities Commission (the **Principal Regulator**) and the other members of the Canadian Securities Administrators (collectively, the **CSA**)

From: CatalX CTS Ltd. operating as Catalyx (the **Filer**)

Re: Undertaking in respect of pre-registration activities during the CSA review of the Filer's application for registration and related application for exemptive relief conducted by the Filer and on the Filer's Platform (defined below) in relation to clients resident in Canada (the **Undertaking**)

Date: March 24, 2023

Background

The Filer operates a proprietary internet-based platform for the trading of crypto contracts based on crypto assets (collectively, the **Filer's Platform**) that enables clients to buy, sell, hold, deposit and withdraw crypto assets such as Bitcoin, Ether, and anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token, through the Filer.

The Filer's Platform constitutes a Dealer Platform as those terms are defined in Joint CSA-IIROC Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements* (**CSA SN 21-329**). In connection with the operation of the Filer's Platform, the Filer has:

- (a) made an application for registration in the category of restricted dealer that includes a completed and signed Form 33-109F6 *Firm Registration* including all schedules and supporting documents (the **Application for Registration**) in each jurisdiction in Canada where the Filer carries on or intends to carry on business as a crypto asset trading platform (**CTP**);
- (b) made an application for prospectus relief, suitability relief and trade reporting relief in each jurisdiction in Canada where the Filer carries on or intends to carry on business as a CTP (the **Application for Relief**) in connection with the operation of the Filer's Platform;
- (c) paid all required fees applicable to the Application for Registration and the Application for Relief; and
- (d) filed a completed Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*.

Interpretation

The provisions of this Undertaking are representations of and commitments by the Filer to the Principal Regulator and to the CSA. The Filer will make best efforts to bring its operations into compliance with securities legislation.

In this Undertaking,

- (a) in relation to paragraphs 8, 15(b) and 16 of Schedule I, the Filer undertakes to implement these provisions within 120 days of the date of this Undertaking, and
 - (b) for all other provisions, the Filer undertakes to implement such provisions within 90 days of the date of this Undertaking,
- unless the provision otherwise indicates or the Principal Regulator provides written consent that another timeframe is acceptable.

The Filer agrees to abide by the representations and commitments in this Undertaking until such time as the Principal Regulator has made a decision on the Filer's Application for Registration and Application for Relief or until such time as this Undertaking is withdrawn in accordance with the provisions described below.

The representations and commitments set out in this Undertaking are based on the obligations that will apply to the Filer once registered and are substantially consistent with the terms and conditions set out in the Filer's Application for Relief. There are certain provisions in this Undertaking that may not be consistent with the obligations that would apply to the Filer should it become registered, and those provisions in this Undertaking do not necessarily reflect the decision that will be made by the Principal Regulator and the other members of the CSA in the Applicable Jurisdictions in connection with the Application for Registration and the Application for Relief.

The Filer understands that the Principal Regulator will disclose the name of the Filer and this Undertaking or the fact that the Filer has provided this Undertaking on the Principal Regulator's website, the website of other members of the CSA in the Applicable Jurisdictions and/or the CSA website.

Definitions

In this Undertaking including the Schedules, the following terms have the following meanings:

"Acceptable Third-party Custodian" means an entity that:

- (i) is one of the following:
 - a. a Canadian custodian or Canadian financial institution;
 - b. a custodian qualified to act as a custodian or sub-custodian for assets held in Canada pursuant to section 6.2 [*Entities Qualified to Act as Custodian or Sub-Custodian for Assets Held in Canada*] of NI 81-102;
 - c. a custodian that meets the definition of an "acceptable securities location" in accordance with the Investment Dealer and Partially Consolidated Rules and Form 1 of New Self-Regulatory Organization of Canada;

- d. a foreign custodian for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s); or
 - e. an entity that does not meet the criteria for a qualified custodian and for which the Filer has obtained the prior written consent from the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s);
- (ii) is functionally independent of the Filer within the meaning of NI 31-103;
- (iii) has obtained audited financial statements within the last twelve months, which
 - a. are audited by a person or company that is authorized to sign an auditor's report under the laws of a jurisdiction of Canada or a foreign jurisdiction and that meets the professional standards of that jurisdiction, and
 - b. are accompanied by an auditor's report that expresses an unqualified opinion.
- (iv) has obtained a Systems and Organization Controls (SOC) 2 Type 1 or SOC 2 Type 2 report within the last twelve months, or has obtained a comparable report recognized by a similar accreditation board satisfactory to the Filer's Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s).

"Account Appropriateness Factors" has the meaning ascribed to that term in paragraph 30 of Schedule I;

"Applicable Jurisdictions" means the jurisdictions in Canada in which the Filer carries on or intends to carry on business as a CTP;

"Canadian custodian" has the meaning ascribed to that term in NI 31-103;

"Canadian financial institution" has the meaning ascribed to that term in National Instrument 45-106 *Prospectus Exemptions*;

"Client Account" means an account opened by a client of the Filer using the Filer's website and/or mobile application to access the Filer's Platform;

"Crypto Asset" means Bitcoin, Ether, and anything commonly considered a crypto asset, digital or virtual currency, or digital or virtual token, that are not themselves securities or derivatives;

"Crypto Asset Statement" has the meaning ascribed to that term in paragraph 36(e) of Schedule I;

"Crypto Contract" means a client's contractual rights relating to a Crypto Asset or a Value-Referenced Crypto Asset and related rights under the client's agreement with the Filer's Platform;

"CSA SN 21-329" means Joint CSA/IIROC Staff Notice 21-329 *Guidance for Crypto-Asset Trading Platforms: Compliance with Regulatory Requirements*;

"Dealer Platform" has the meaning ascribed to that term in CSA SN 21-329;

"foreign custodian" has the meaning ascribed to that term in NI 31-103;

“Form 31-103F1” means Form 31-103F1 *Calculation of Excess Working Capital*;

“KYP Policy” has the meaning ascribed to that term in paragraph 29 of Schedule I;

“Liquidity Provider” means a crypto asset trading platform or marketplace or other entity that the Filer uses to fulfill its obligations under Crypto Contracts;

“NI 31-103” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

“NI 81-102” means National Instrument 81-102 *Investment Funds*;

“permitted client” has the meaning ascribed to that term in NI 31-103;

“promoter” has the meaning ascribed to that term in Canadian securities legislation;

“Proprietary Token” means a Crypto Asset that is not a Value-Referenced Crypto Asset, and for which the Filer or an affiliate of the Filer acted as the issuer (and mints or burns the Crypto Asset) or a promoter;

“qualified custodian” has the meaning ascribed to that term in NI 31-103;

“Risk Statement” has the meaning ascribed to that term in paragraph 34 of Schedule I;

“Specified Crypto Assets” means Bitcoin, Bitcoin Cash, Ether, Litecoin and any other Crypto Asset in respect of which the Principal Regulator and the other CSA members in the Applicable Jurisdictions have provided written confirmation to the Filer subsequent to the date of this Undertaking that such Crypto Asset may be designated as a Specified Crypto Asset for the purposes of this Undertaking;

“Staking” means the act of committing or locking Crypto Assets in smart contracts to permit the owner or the owner’s delegate to act as a validator for a particular proof-of-stake consensus algorithm blockchain;

“Staking Services” means any and all services conducted by the Filer and third parties in order to enable the Staking of Crypto Assets that are held on the Filer’s Platform for the benefit of clients; and

“Value-Referenced Crypto Asset” means a crypto asset that is designed to maintain a stable value over time by referencing the value of a fiat currency or any other value or right, or combination thereof.

In this Undertaking a person or company is an affiliate of the Filer if

- (a) one of them is, directly or indirectly, a subsidiary of the other, or
- (b) each of them is controlled, directly or indirectly, by the same person.

Undertaking re Pre-Registration Activities

Until such time that a decision is made by the Principal Regulator and the other members of the CSA in the Applicable Jurisdictions in connection with the Application for Registration and the Application for Relief, and unless this Undertaking is otherwise withdrawn by the Filer in accordance with the manner described below, the Filer hereby undertakes to comply with the provisions of this Undertaking:

1. The Filer will conduct all transactions with clients resident in Canada in compliance with the Pre-Registration Provisions as set out in Schedule I. In particular, as set out in paragraph 40 of Schedule I, the Filer confirms that Crypto Assets held for the benefit of clients are held in trust, separate and apart from the assets of non-Canadian clients, separate and apart from its own assets and are not pledged, re-hypothecated or otherwise used in any way by the Filer.
2. The Filer will comply with the Reporting Provisions as set out in Schedule II.
3. Regardless of whether the Filer is or will be operating through a Canadian affiliate, the Filer has and will continue to confirm that the Filer (or its Canadian affiliate, where applicable) is not liable for the debt of an affiliate or affiliates that could have a material negative effect on the Filer.
4. The Filer accepts and agrees that the Undertaking will be governed and interpreted in accordance with the laws of the Principal Regulator or the Applicable Jurisdiction and the laws of Canada applicable therein.
5. The Filer has designated an individual as its Chief Compliance Officer (**CCO**) that:
 - (a) has the education, training and experience that a reasonable person would consider necessary to perform the role of a CCO competently,
 - (b) is responsible for the maintenance and application of policies and procedures for assessing compliance by the Filer and individuals acting on behalf of the Filer, with securities legislation,
 - (c) monitors and assesses compliance by the Filer and individuals acting on its behalf, with securities legislation, and
 - (d) has direct access to the board of directors, or individuals acting in such capacity for the Filer, at such times as the CCO may consider necessary or advisable in view of the CCO's responsibilities.
6. The Filer will promptly inform the Principal Regulator in writing of any material change in the business, activities, operations or financial results or condition of the Filer, or an affiliate of the Filer, or control persons of an affiliate that may in the opinion of a reasonable person be material to the Filer's clients.

7. The Filer will promptly inform the Principal Regulator in writing of any material breach or failure of
 - (a) the Filer's or any of its Acceptable Third-party Custodian's system of controls or supervision, and what steps have been taken by the Filer to address each such breach or failure, and
 - (b) the system of controls or supervision of each affiliate of the Filer that could have a material impact on the Filer and what steps have been taken to address each such breach or failure.

The loss of any amount of Crypto Assets impacting the Filer's clients will be considered a material breach or failure.

8. The Filer will promptly inform the Principal Regulator in writing if a self-regulatory organization or any other regulatory authority or organization or governmental authority in any jurisdiction including any foreign jurisdiction initiates proceedings or renders a judgment related to a compliance or enforcement action involving the Filer, an affiliate of the Filer, or a control person(s) of an affiliate that may reasonably be perceived by the Principal Regulator or a client of the Filer to be material to the client.
9. The Filer will promptly inform the Principal Regulator in writing if the Filer or an affiliate of the Filer becomes subject to any of the following under the laws of any jurisdiction including any foreign jurisdiction:
 - (a) a bankruptcy, a filing for bankruptcy or a proceeding governing an event similar to a bankruptcy;
 - (b) a proposal, including a consumer proposal, or restructuring under any legislation relating to bankruptcy or insolvency or any similar proceeding;
 - (c) proceedings under any legislation relating to the winding up or dissolution of the entity, or under the *Companies' Creditors Arrangement Act* (Canada);
 - (d) any proceedings, arrangement or compromise with creditors, including the appointment of a receiver, receiver-manager, administrator or trustee.
10. The Filer will promptly inform the Principal Regulator in writing if a control person of an affiliate is subject to any of the listed events, as provided in the preceding paragraph, if the occurrence of such an event may reasonably be perceived by the Principal Regulator or a client of the Filer to be material to the client.
11. The Filer will work diligently and use its commercially reasonable best efforts to advance the Application for Registration and Application for Relief.

12. The Filer further acknowledges that the giving of this Undertaking does not mean that the Filer has been or will be granted registration in any Applicable Jurisdiction or that the relief requested in the Application for Relief will be granted in any Applicable Jurisdiction. The Filer undertakes not to make any representation to suggest that it is registered under securities legislation in Canada. The Filer's Platform will clearly indicate that the Filer has submitted an Application for Registration under securities legislation in Canada but it is not registered and is operating pursuant to the provisions of a Pre-Registration Undertaking. There can be no assurance that the Filer will be registered and if it fails to become registered in any Applicable Jurisdiction it will promptly cease carrying on registrable activity in such Applicable Jurisdiction.
13. The Filer further acknowledges that the Filer's compliance with the Pre-Registration Provisions as set out in Schedule I does not mean that any documents delivered or made available to clients have been reviewed or approved by the Principal Regulator or other members of the CSA and the Filer further acknowledges that it may be required to make changes to any such documents as a result of the continued review of the Application for Registration and the Application for Relief.
14. The Filer further acknowledges that the Principal Regulator or other members of the CSA may examine the business, conduct, financial affairs, books, records and other documents of the Filer and its applicable affiliates and control persons for the purpose of determining if the Filer is complying with this Undertaking, securities or other applicable legislation in Canada, or acting contrary to the public interest.
15. The Filer will provide not less than 30 days' prior written notice to the Principal Regulator and the other members of the CSA in the Applicable Jurisdictions if the Filer wishes to withdraw this Undertaking. Where such notice is given, the Filer will cease to carry on registrable activity in each of the Applicable Jurisdictions at the time the Undertaking is withdrawn. All obligations respecting the provision of information relevant to the period in which the Filer was in operation will survive the withdrawal of this Undertaking.

[Remainder of page left intentionally blank. Signature page follows.]

For CatalX CTS Ltd.:

"Jae Park"

Name: Jae Park

Title: Chief Executive Officer

"I have authority to bind the firm"

Date: March 24, 2023

Schedule I
Pre-Registration Provisions

Pre-Registration Business Conduct Obligations

Acting fairly, honestly and in good faith

1. The Filer will act and will take reasonable steps to cause each individual acting on its behalf to act fairly, honestly and in good faith with clients.

System of controls and supervision

2. The Filer will establish, maintain and apply written policies and procedures that establish a system of controls and supervision sufficient to
 - (a) provide reasonable assurance that the firm and each individual acting on its behalf complies with securities legislation, and
 - (b) manage the risks associated with its business, including operations that are not related to trading securities or derivatives, in accordance with prudent business practices.
3. Further to paragraph 2(a), the Filer's policies and procedures will reflect that the Filer is seeking exemptive relief from certain regulatory requirements under the Filer's Application for Relief unless the Filer has been informed by staff of the Principal Regulator that staff do not support the Filer's request for exemptive relief from certain regulatory requirements.
4. Without limiting the foregoing, the Filer will establish, maintain and apply policies and procedures relating to confidentiality, information containment and the supervision of trading in Crypto Contracts and Crypto Assets by individuals acting on behalf of the Filer and will maintain material non-public information about Crypto Contracts and Crypto Assets in confidence.

Conflicts of interest

5. The Filer will establish, maintain and apply reasonable policies and procedures to identify existing material conflicts of interest, and material conflicts of interest that the Filer in its reasonable opinion would expect to arise, between the Filer, including each individual acting on behalf of the Filer, and its clients.
6. The Filer will address an existing or potential conflict of interest identified under the preceding paragraph in the best interests of the client. If a client, acting reasonably, would expect to be informed of a conflict of interest identified under the preceding paragraph, the Filer will disclose, in a timely manner, the nature and extent of the conflict of interest to a client whose interest conflicts with the interest identified.

Capital requirements, financial information and provision of information

7. The Filer will deliver financial information as provided under section 12.12 of NI 31-103 [*Delivering financial information – dealer*]. Where the Filer is temporarily unable to obtain unconsolidated audited financial statements, the Filer will (i) obtain and provide to the Principal Regulator unconsolidated audited financial statements as soon as is reasonably practicable and (ii) until the Filer is able to provide unconsolidated audited financial statements, provide to the Principal Regulator relevant financial information as agreed to by the Principal Regulator, such as unaudited financial statement of the Filer.
8. The Filer's excess working capital as calculated in accordance with Form 31-103F1 must not be less than zero for 2 consecutive days. Should the Filer's excess working capital be less than zero, the Filer will notify the Principal Regulator and/or the other Applicable Jurisdictions as soon as possible.
9. The Filer will exclude from the excess working capital calculation all the Crypto Assets, including Proprietary Tokens, and all Value-Referenced Crypto Assets it holds for which there is no offsetting by a corresponding current liability, such as Crypto Assets held for its clients as collateral to guarantee obligations under Crypto Contracts, included on line 1, *Current assets*. This will result in the exclusion of all the Crypto Assets inventory, including Proprietary Tokens inventory, and all of the Value-Referenced Crypto Assets inventory held by the CTPs from Form 31-103F1 (Schedule 1, line 9).
10. The Filer will provide within 60 days of the date of this Undertaking to the Principal Regulator a completed Form 31-103F1 regarding the excess working capital it holds and the Filer will confirm the accuracy of the information provided. The Filer will provide updated information relating to the excess working capital it holds as requested by the Principal Regulator from time to time.
11. In addition to any reporting requirements provided for in the Schedules of this Undertaking, upon the request of the Principal Regulator, the Filer will promptly deliver to the Principal Regulator any reasonably available information the Principal Regulator may require in a form that is acceptable to the Principal Regulator, including but not limited to:
 - (a) any audit reports regarding the financial reporting of the Filer, including a SOC 1 report; and
 - (b) real time data reporting to the Principal Regulator, in lieu of or in addition to the data reporting under Schedule II.
12. Upon engaging an auditor, the Filer will direct such auditor in writing to conduct any audit or review required by the Principal Regulator, and deliver a copy of the direction to the Principal Regulator. The Filer will not destroy or conceal any information or documents or otherwise fail to cooperate with a reasonable request made by an auditor in the course of an audit.

Risk Management

13. The Filer will assess liquidity risk and concentration risk posed by Liquidity Providers upon which the Filer relies to execute a trade for its clients.
14. The liquidity and concentration risks assessment will consider trading volume data as per paragraph 1(g) of Schedule II and complete a historical analysis of each Liquidity Provider and a relative analysis between the Liquidity Providers. Consideration should be given to whether the Liquidity Provider has issued its own Proprietary Tokens and to consider limiting reliance on these Liquidity Providers.

Restrictions on products and services

15. The Filer will only trade Crypto Contracts based on (a) Crypto Assets that the Filer has reasonably determined are not in and of themselves securities or derivatives, or (b) Value-Referenced Crypto Assets in accordance with paragraph 16 of this Schedule.
16. The Filer will not permit its clients to buy or deposit Value-Referenced Crypto Assets through a Crypto Contract without the prior written consent of the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s) and subject to such terms and conditions as may be imposed on the Filer and the issuer of the Value-Referenced Crypto Assets by the regulator or securities regulatory authority. Clients can continue to hold Crypto Contracts based on Value-Referenced Crypto Assets that are in place as of the date of this Undertaking and can sell or withdraw the Value-Referenced Crypto Assets upon which those Crypto Contracts are based.
17. The Filer will only engage in the business of trading Crypto Contracts in accordance with paragraph 15 of this Schedule, and perform its obligations under those contracts, and will not offer derivatives based on Crypto Assets or Value-Referenced Crypto Assets other than Crypto Contracts to clients.
18. The Filer will seek the appropriate approvals from the Principal Regulator and, if required under securities legislation, the regulator or securities regulatory authority of any other Applicable Jurisdiction, prior to undertaking any other activity governed by securities legislation.
19. The Filer will not offer Crypto Asset lending products or services or Staking Services to clients without the prior written consent of the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s) in which such products or services are offered.
20. The Filer will not trade Crypto Assets or Value-Referenced Crypto Assets or Crypto Contracts based on Crypto Assets or on Value-Referenced Crypto Assets with a client in an Applicable Jurisdiction, without the prior written consent of the regulator or securities regulatory authority of the Applicable Jurisdiction, where the Crypto Asset or Value-Referenced Crypto Asset was issued by or on behalf of a person or company that is or has in the last five years been the subject of a publicly announced order, judgment, decree, sanction, fine or administrative penalty

imposed by, or has entered into a publicly announced settlement agreement with, a government or government agency, administrative agency, self-regulatory organization, administrative tribunal or court in Canada or in a Specified Foreign Jurisdiction in relation to a claim based in whole or in part on fraud, theft, deceit, aiding and abetting or otherwise facilitating criminal activity, misrepresentation, violation of anti-money laundering (AML) laws, conspiracy, breach of trust, breach of fiduciary duty, insider trading, market manipulation, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar or analogous conduct. For the purposes of this condition, the term “Specified Foreign Jurisdiction” means any of the following: Australia, Brazil, any member country of the European Union, Hong Kong, Japan, Republic of Korea, New Zealand, Singapore, Switzerland, United Kingdom of Great Britain and Northern Ireland, the United States of America, and any other jurisdiction that the Principal Regulator shall advise.

Restriction on margin and leverage

21. The Filer will not offer margin, credit or other forms of leverage to clients in connection with trading of Crypto Contracts, Crypto Assets or Value-Referenced Crypto Assets on the Filer’s Platform.

Restrictions on trading Proprietary Tokens

22. The Filer will not permit its clients to buy or deposit Proprietary Tokens through a Crypto Contract, unless otherwise agreed to in writing by the Principal Regulator and the regulator or securities regulatory authority of the Applicable Jurisdiction(s). Clients can continue to hold Crypto Contracts based on Proprietary Tokens that are in place as of the date of this Undertaking and can sell or withdraw the Proprietary Tokens upon which those Crypto Contracts are based.

No recommendations or advice

23. Neither the Filer nor any representative of the Filer will provide recommendations or advice to any client or prospective client.

Advertising and social media use

24. The Filer has reviewed Joint CSA-IIROC Staff Notice 21-330 *Guidance for Crypto-Trading Platforms - Requirements relating to Advertising, Marketing and Social Media Use* and federal government guidance on the general scope of the false or misleading representations and deceptive marketing practices provisions of the *Competition Act*, and will establish, maintain and apply reasonable policies and procedures to ensure advertising and social media use regarding the Filer’s Platform by the Filer and persons and companies acting on behalf of the Filer is fair, balanced and not misleading.

Until such time as the Filer obtains registration in the Applicable Jurisdictions, the Filer will also include the following statement (or a link to the following statement when impractical to include) in all advertising and social media that is related to the Filer’s Platform and targeted at Canadian investors:

“CatalX CTS Ltd. (CatalX) has filed an application for registration in certain Canadian jurisdictions but has not yet obtained registration. Until such time as CatalX obtains registration, CatalX has agreed to abide by the terms of an undertaking available at the following link [Link to be inserted].”

Account opening

25. The Filer will establish, maintain and apply eligibility criteria for the onboarding of all Canadian clients. All Canadian clients must: (a) successfully complete the Filer’s know-your-client (**KYC**) process which satisfies the requirements applicable to money service businesses under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and its regulations, and (b) hold an account with a Canadian financial institution.
26. Each Canadian client who is an individual, and each individual who is authorized to give instructions for a Canadian client that is a legal entity, will be: (a) a Canadian citizen or permanent resident; and (b) 18 years or older.
27. The terms of service between the Filer and its Canadian Clients will be governed by the laws of a jurisdiction of Canada, and state that the client’s Crypto Assets will be held in trust for and/or for the benefit of the client.

Investment limits

28. The Filer will ensure that the maximum amount of Crypto Assets, excluding Specified Crypto Assets, that a client, other than (i) clients resident in British Columbia, Manitoba and Québec and (ii) clients that are permitted clients, may enter into Crypto Contracts to purchase and sell on the Filer’s Platform (calculated on a net basis and is an amount not less than \$0) in the preceding 12 months does not exceed a net acquisition cost of \$30,000.¹

Account appropriateness assessment

29. The Filer has established and will maintain and apply reasonable policies and procedures (**KYP Policy**) to review Crypto Assets before offering Crypto Contracts based on the Crypto Assets in the Applicable Jurisdictions;
30. The Filer will perform product assessments pursuant to the KYP Policy and account assessments taking into account the following factors (the **Account Appropriateness Factors**):
 - (a) the client’s experience and knowledge in investing in Crypto Assets;
 - (b) the client’s financial assets and income;

¹ At the time the Filer implements this requirement, all clients of the Filer will be treated as having made no purchases in the preceding 12 months.

- (c) the client's risk tolerance; and
 - (d) the Crypto Assets approved to be made available to a client by entering into Crypto Contracts on the Filer's Platform.
31. The Account Appropriateness Factors will be used by the Filer to evaluate whether entering into Crypto Contracts with the Filer is appropriate for a prospective client before the opening of a Client Account.
32. The Filer has adopted and will apply policies, procedures and systems to notify clients of losses based on changes to the market value of any Crypto Assets held by clients in Crypto Contracts based on thresholds reasonably established by the Filer. If warranted, clients may receive messaging about the Filer's Platform and the Crypto Assets, specific risk warnings and/or receive direct outreach from the Filer about their activity.
33. After completion of the account-level appropriateness assessment, a prospective client that is not a permitted client will receive appropriate messaging about using the Filer's Platform to enter into Crypto Contracts, which, in circumstances where the Filer has evaluated that entering into Crypto Contracts with the Filer is not appropriate for the client, will include prominent messaging to the client that this is the case and that the client will not be permitted to open an account with the Filer.

Risk Statement

34. Before a prospective client opens an account with the Filer, the Filer will deliver to the client a statement of risks (the **Risk Statement**), and will require the client to provide electronic acknowledgement of having received, read and understood the Risk Statement.
35. For each client with a pre-existing Client Account at the date of this Undertaking the Filer will deliver to the client a Risk Statement and will require the client to provide an electronic acknowledgement of having received, read and understood the Risk Statement.
36. The Risk Statement will clearly explain the following in plain language:
- (a) the Crypto Contracts;
 - (b) the risks associated with the Crypto Contracts;
 - (c) a prominent statement that no securities regulatory authority has expressed an opinion about the Crypto Contracts or any of the Crypto Assets made available through the Filer's Platform, including any opinion that the Crypto Assets themselves are not securities and/or derivatives;
 - (d) the due diligence performed by the Filer before making a Crypto Asset available through the Filer's Platform, including the due diligence taken by the Filer to assess whether the Crypto Asset is a security and/or derivative under the securities legislation of each of the

jurisdictions of Canada and the securities and derivatives laws of the foreign jurisdiction with which the Crypto Asset has the most significant connection, and the risks if the Filer has incorrectly determined that the Crypto Asset is not a security and/or derivative;

- (e) that the Filer has prepared a plain language description of each Crypto Asset made available through the Filer's Platform and of the risks of the Crypto Asset, with instructions as to where on the Filer's Platform the client may obtain the description (each, a **Crypto Asset Statement**),
- (f) the Filer's policies for halting, suspending and withdrawing a Crypto Asset from trading on the Filer's Platform, including criteria that would be considered by the Filer, options available to clients holding such a Crypto Asset, any notification periods and any risks to clients,
- (g) the location and manner in which Crypto Assets are held for the client, the risks and benefits to the client of the Crypto Assets being held in that location and in that manner, including the impact of insolvency of the Filer or an Acceptable Third-party Custodian,
- (h) the manner in which the Crypto Assets are accessible by the Filer, and the risks and benefits to the client arising from the Filer having access to the Crypto Assets in that manner,
- (i) that the Filer is not a member of the Canadian Investor Protection Fund (**CIPF**) and the Crypto Assets held by the Filer (directly or indirectly through third parties) will not qualify for CIPF protection,
- (j) a statement that certain statutory rights under securities legislation in Canada do not apply in respect of the Risk Statement or a Crypto Asset Statement, and
- (k) a prominent statement that the Filer has submitted an Application for Registration and an Application for Relief under securities legislation of certain jurisdictions of Canada but there is no guarantee these applications will be granted and the Filer is not currently registered under the securities or derivatives legislation of any jurisdiction of Canada and has not been granted an exemption from any requirements of securities or derivatives legislation of any jurisdiction of Canada.

37. The Filer will ensure it has policies and procedures for updating the Risk Statement and each Crypto Asset Statement to reflect any material changes to the disclosure or include any material risks that may develop with respect to the Crypto Contracts, Crypto Assets generally, or a specific Crypto Asset, as the case may be. In the event that the Risk Statement is updated, existing clients of the Filer will be promptly notified and provided with a copy of the updated Risk Statement. In the event that a Crypto Asset Statement is updated, existing clients of the Filer will be promptly notified through electronic disclosure on the Filer's Platform, with links provided to the updated Crypto Asset Statement.

Custody of Cash, Crypto Assets and Other Assets

38. The Filer will hold client cash in a designated trust account with a Canadian custodian or Canadian financial institution. Despite the forgoing requirement to use a Canadian custodian or a Canadian financial institution, the Filer may hold client cash in a designated trust account with a foreign custodian if a reasonable person would conclude, considering all of the relevant circumstances, including, for greater certainty, the nature of the regulation and the sufficiency of the equity of the foreign custodian, that using the foreign custodian is more beneficial to the client than using a Canadian custodian or a Canadian financial institution.
39. The Filer is proficient and experienced in holding Crypto Assets and has established and will maintain and apply policies and procedures that manage and mitigate custodial risks, including but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets and a mechanism for the return of the Crypto Assets to clients in the event of bankruptcy or insolvency of the Filer. The Filer also maintains appropriate policies and procedures related to IT security, cyber-resilience, disaster recovery capabilities and business continuity plans.
40. The Filer holds Crypto Assets (i) in an account clearly designated for the benefit of clients or in trust for clients, (ii) separate and apart from the assets of non-Canadian clients, and (iii) separate and apart from its own assets and from the assets of any custodial service provider. The Filer will not pledge, re-hypothecate or otherwise use any Crypto Assets held on behalf of its clients.
41. The Filer has and will retain the services of one or more Acceptable Third-party Custodians to hold not less than 80% of the total value of Crypto Assets held on behalf of clients.
42. The Filer will ensure that each Acceptable Third-party Custodian holds client Crypto Assets in a designated trust account or in an account designated for the benefit of clients. Such account shall be held and designated in such a fashion as to preserve the nature of the trust and to ensure the ability to trace, by equitable or other means, the assets so held in the event of bankruptcy, insolvency, restructuring, or similar activity of the Filer or the Acceptable Third-party Custodian. The terms of the custodian agreement between the Filer and each Acceptable Third-party Custodian will clearly identify that the Crypto Assets are held in trust for the benefit of the Filer's clients and specifies the actions the custodian will take in the event of the insolvency of the Filer. If the Acceptable Third-party Custodian holds the Crypto Assets of the Filer or its affiliates, the Acceptable Third-party Custodian holds those Crypto Assets in a separate account from those Crypto Assets held in trust for the benefit of the Filer's clients.
43. The Filer has conducted due diligence on the Acceptable Third-party Custodians, including reviewing a copy of the SOC 2 Type 1 or SOC 2 Type 2 audit report prepared by the Acceptable Third-party Custodians' auditors and has not identified any material concerns.
44. The Filer has established and will maintain and apply policies and procedures to ensure that
 - (a) Each of the Filer's Acceptable Third-party Custodians holds all Crypto Assets for clients of the Filer in trust in a designated trust account in the name of the Filer, separate and apart from the assets of the Filer's non-Canadian clients, and separate and distinct from the assets

of the Filer, the Filer's affiliates and all of the Acceptable Third-party Custodian's other clients.

(b) Each of the Filer's Acceptable Third-party Custodians maintains an appropriate level of insurance for Crypto Assets held by the Acceptable Third-party Custodian. The Filer has assessed the Acceptable Third-party Custodian's insurance policy and has determined, based on information that is publicly available and on information provided by the Acceptable Third-party Custodian and considering the controls of the Acceptable Third-party Custodian's business, that the amount of insurance is appropriate.

(c) Each of the Filer's Acceptable Third-party Custodians has established and applies policies and procedures that manage and mitigate the custodial risks, including, but not limited to, an effective system of controls and supervision to safeguard the Crypto Assets for which it acts as custodian and to mitigate security breaches and cyber incidents. The Filer's Acceptable Third-party Custodian has established and applies written disaster recovery and business continuity plans.

45. The Filer has established, and will maintain and apply, policies and procedures that are reasonably designed to ensure the Filer's Acceptable Third-party Custodian's records related to Crypto Assets that the Acceptable Third-party Custodian holds in trust for clients of the Filer are accurate and complete.

46. The Filer will provide an authorization and direction in a form acceptable to the Principal Regulator for the Principal Regulator to obtain information directly from each of the Filer's Acceptable Third-party Custodians.

Insurance

47. The Filer has established, and will maintain and apply, policies and procedures that are reasonably designed to ensure that any third-party insurance obtained by the Filer includes coverage for the Crypto Assets held by the Filer in the event of loss or theft in accordance with the terms and subject to the limits of the insurance policy in question.

Confidentiality of Clients' Order and Trade Information

48. The Filer has established and will maintain and apply policies and procedures to safeguard the confidentiality of client information, including information relating to their trading activities.

Books and Records

49. The Filer keeps books and records and other documents to accurately record its business activities, financial affairs and client transactions, and to demonstrate the Filer's compliance with applicable requirements of securities legislation as if the Filer were a registered firm, including but not limited to:

(a) a record of all clients and prospective clients granted or denied access to the Filer's Platform;

- (b) daily trading summaries of all Crypto Assets traded, with transaction volumes and values;
- (c) records of all orders and trades, including the price, volume, times when the orders are entered, matched, cancelled or rejected, and the identifier of the client that entered the order or that was counterparty to the trade; and
- (d) records of assets held on behalf of clients, including the location of such assets, with such assets regularly reconciled to the records of the Acceptable Third-party Custodians or to the assets held by the Filer.

Reporting Requirements

50. The Filer will promptly notify the Principal Regulator of any of the following:

- (a) any material system failure involving the Filer's business or involving the business of an affiliate of the Filer and, if applicable, any clearing and settlement services, including cybersecurity breaches, that has a material impact on its Canadian clients;
- (b) any material system failure involving the services of an affiliate of the Filer, and if applicable, any clearing and settlement services of those entities, including cybersecurity breaches, that impacts the Filer's Canadian clients;
- (c) any known investigations of, or regulatory action against, the Filer, or an affiliate of the Filer, by a regulatory authority in any jurisdiction in which it operates which may impact the operation of the Filer's Platform in Canada;
- (d) details of any material litigation instituted against the Filer, or an affiliate of the Filer, which may impact the operation of the Filer's Platform in Canada;
- (e) notification that the Filer, or an affiliate of the Filer, has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the Filer, or an affiliate of the Filer, or has a proceeding for any such petition instituted against it; and
- (f) the appointment of a receiver or the making of any voluntary arrangement with creditors.

51. In addition to any other reporting required herein, the Filer and its applicable affiliates and control person(s) will provide to the Principal Regulator, on a timely basis and on demand, any report, data, document or information that the Filer and its applicable affiliates and control person(s) have available or would be reasonably expected to have available regarding the Filer's business, including regarding its information technology system, software, any intra-company arrangement or services and, if applicable, any clearing and settlement services provided to Canadian clients that may be reasonably requested by the Principal Regulator from time to time. Unless otherwise prohibited under applicable law, the Filer will share with the Principal Regulator information relating to regulatory and enforcement matters that will materially

impact its business, including any clearing and settlement services provided to the Canadian clients.

Schedule II Reporting Provisions

Data Reporting

1. The Filer will provide the following information to the Principal Regulator, and to the securities regulatory authority or regulator in each of the Applicable Jurisdictions with respect to clients in those jurisdictions individually, within 30 days of the end of each March, June, September and December (the first period that the Filer shall provide this information for will be for the period from July 1 to September 30, 2023):
 - (a) aggregate reporting of activity conducted pursuant to Crypto Contracts during the applicable calendar quarter that will include the following:
 - (i) number of Client Accounts opened each month in the quarter;
 - (ii) number of Client Accounts closed each month in the quarter;
 - (iii) number of trades in each month of the quarter;
 - (iv) average value of the trades in each month of the quarter;
 - (v) number of Client Accounts with a net acquisition cost greater than \$30,000 of Crypto Assets at the end of each month in the quarter;
 - (vi) number of Client Accounts with no trades during the quarter;
 - (vii) number of Client Accounts that have not been funded at the end of each month in the quarter; and
 - (viii) number of Client Accounts that hold a positive amount of Crypto Assets at the end of each month in the quarter;
 - (b) the details of any material client complaints received by the Filer during the calendar quarter and how such complaints were addressed;
 - (c) the details of any fraudulent activity or cybersecurity incidents on the Filer's Platform during the calendar quarter, any resulting harms and effects on clients, and the corrective measures taken by the Filer to remediate such activity or incident and prevent similar activities or incidents from occurring in the future;
 - (d) the amount of any Crypto Assets held in hot wallets as of the end of the quarter, and
 - (e) the details of the transaction volume per Liquidity Provider, per Crypto Asset during the quarter.
2. The Filer will deliver to the Principal Regulator and the regulator or the securities regulatory authority in each of the Applicable Jurisdictions, in a form and format acceptable to the regulator or the securities regulatory authority, a report that includes the following anonymized account-level data for activity conducted during the applicable calendar quarter pursuant to a Crypto Contract for each client within 30 days of the end of each March, June, September and December (the first period that the Filer shall provide this information for will be for the period from July 1 to September 30, 2023):

- (a) unique account number and unique client identifier, as applicable;
 - (b) jurisdiction where the client is located;
 - (c) the date the account was opened;
 - (d) the amount of any fiat currency held by the Filer at the beginning of the reporting period and at the end of the reporting period;
 - (e) cumulative realized gains/losses on the Filer's Platform since account opening in CAD;
 - (f) unrealized gains/losses on the Filer's Platform as of the report end date in CAD;
 - (g) quantity traded, deposited and withdrawn by Crypto Asset during the quarter in number of units;
 - (h) Crypto Asset traded by the client;
 - (i) quantity held of each Crypto Asset by the client as of the report end date in units;
 - (j) CAD equivalent aggregate value for each Crypto Asset traded by the client, calculated as the amount in paragraph (i) multiplied by the market price of the asset in paragraph (h) as of the report end date; and
 - (k) age of account in months.
3. The Filer will deliver to the Principal Regulator within 30 days of the end of each March, June, September and December, either:
- (a) blackline copies of changes made to the policies and procedures on the operations of its wallets that were previously delivered to the Principal Regulator; or
 - (b) a nil report stating no changes have been made to its policies and procedures on the operations of its wallets in the quarter.
4. In addition to any other reporting required by securities legislation in Canada, the Filer will provide, on a timely basis, any report, data, document or information that the Filer has available or would be reasonably expected to have available to the Principal Regulator, including any information about the Filer's Acceptable Third-party Custodian(s) and the Crypto Assets held by the Filer's Acceptable Third-party Custodian(s), that may be requested by the Principal Regulator from time to time as reasonably necessary for the purpose of monitoring compliance with the legislation and the conditions in the Undertaking, in a format acceptable to the Principal Regulator.
5. Upon request, the Filer will provide the Principal Regulator and the regulators or securities regulatory authorities of each of the Applicable Jurisdictions with aggregated and/or anonymized data that the Filer has available or would be reasonably expected to have available concerning client demographics and activity on the Filer's Platform that may be useful to advance the development of the Canadian regulatory framework for trading Crypto Assets.
6. The Filer will promptly make any changes to its business practices or policies and procedures that may be required to address investor protection concerns that may be identified by the Filer or by the Principal Regulator arising from the operation of the Filer's Platform.