

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 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 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



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

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 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 Karrington
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 and 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