

**THE KING'S BENCH
WINNIPEG CENTRE**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985 c.B-3, AS AMENDED AND SECTION 55 OF *THE KING'S BENCH ACT*, C.C.S.M. c.C280

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant,

-and-

KROMAR PRINTING LTD.

Respondent.

**THIRD REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
KROMAR PRINTING LTD.**

January 14, 2026

RECEIVER

BDO CANADA LIMITED
201 Portage Avenue, 26th Floor
Winnipeg, Manitoba R3B 3K6
Brent Warga
Ph: (204) 956-7200
Fax: (833) 888-1679
Email: bwarga@bdo.ca

COUNSEL TO THE RECEIVER

Pitblado Law
2500 – 360 Main Street
Winnipeg, Manitoba R3C 4H6
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INTRODUCTION

1. On November 30, 2023 (the “**Date of Receivership**”), Business Development Bank of Canada (“**BDC**” or the “**Applicant**”) made an application to the Court of King’s Bench for Manitoba (the “**Court**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”) and section 55 of the *King’s Bench Act*, C.C.S.M. c. C280, to appoint Deloitte Restructuring Inc. (“**Deloitte**”) as receiver, without security, of all the assets, undertakings, and properties (the “**Property**”) of Kromar Printing Ltd. (“**Kromar**” or the “**Company**”) acquired for or used in relation to the business carried on by the Company. On December 1, 2023, the Honourable Justice C. Martin signed an order (the “**Receivership Order**”) appointing Deloitte as receiver in respect of the Property.
2. On December 22, 2023, the Court granted an order (the “**December 22, 2023 Order**”), substituting BDO Canada Limited (“**BDO**”) in place of Deloitte as the receiver (the “**Receiver**”). All references to the Receiver prior to the December 22, 2023 Order refer to Deloitte, and all references to the Receiver after the granting of the December 22, 2023 Order refer to BDO.
3. On February 11, 2025, the Court granted an order (the “**Ancillary Order**”) approving, amongst other relief, the sealing of the confidential report of the Receiver dated February 7, 2025 (the “**Confidential Report**”), increasing the Receiver’s Borrowings Charge to \$800,000, and approving the reported actions and activities of the Receiver, inclusive of the Receiver’s interim statement of receipts and disbursements, as detailed in the Receiver’s first report dated February 7, 2025 (the “**First Report**”).
4. On March 17, 2025, the Court granted an order (the “**SAVO**”) approving, amongst other relief, the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale dated July 11, 2024, and the amending agreement dated February 18, 2025 (collectively, the “**Sale Agreement**”), between the Receiver and Nawoc Holdings Ltd. (“**Nawoc**” or the “**Purchaser**”), and the sealing of the second confidential report of the Receiver dated March 7, 2025 (the “**Second Confidential Report**”).

5. On November 26, 2025, the Court granted an order increasing the Receiver's Borrowings Charge to \$1,100,000, approving the reported actions and activities of the Receiver, inclusive of the Receiver's interim statement of receipts and disbursements, as detailed in the Receiver's second report dated November 21, 2025 (the "**Second Report**"), and sealing of the third confidential report of the Receiver dated November 21, 2025 (the "**Third Confidential Report**").
6. All of the Court Orders (collectively, the "**Orders**") and other information regarding the receivership proceedings can be accessed on the Receiver's website at <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/kromarprinting>.
7. This report constitutes the third report of the Receiver (the "**Third Report**") and is being filed to inform the Court as to the activities of the Receiver since the filing of the Second Report.
8. Furthermore, this Third Report is being filed in support of the Receiver's motion to this Honourable Court on January 15, 2026, seeking the following:
 - (a) approval of the Third Report and the reported actions of the Receiver since the filing of the Second Report in respect of administering these receivership proceedings, including the approval of certain pro rata payments of outstanding expenses (further detailed below) and the Receiver's Statement of Receipts and Disbursements for the period November 30, 2023 to January 12, 2026;
 - (b) approval of the fees and disbursements of the Receiver and its legal counsel;
 - (c) approval that any further funds advanced by BDC to the Receiver to pay the outstanding accounts of the Receiver and its counsel shall be added to the Receiver's Borrowings Charge; and
 - (d) an Order providing for the discharge of the Receiver.

TERMS OF REFERENCE

9. In preparing this Third Report, the Receiver has relied upon unaudited financial information, the books and records of the Company, and discussions with former management of the Company, interested parties, and the stakeholders of the Company.
10. The financial information of the Company has not been audited, reviewed or otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this Third Report may not disclose all significant matters about the Company. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this Third Report.
11. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.
12. Capitalized terms used in this Third Report but not defined herein are as defined in the Receivership Order and the various other reports filed by the Receiver in these proceedings.

ACTIVITIES OF THE RECEIVER

13. Since the Date of the Second Report, the Receiver has undertaken the following activities with respect to the Property:
 - (a) attended to various onsite maintenance matters at the premise;
 - (b) corresponded with BDC and the Purchaser to determine if either party was prepared to provide further funding under the Receiver's Borrowings Charge to continue with

- the receivership proceedings;
- (c) corresponded with BDC and the Purchaser to determine if the Sale Agreement could be amended to allow the Transaction to close given the current environmental state of the Property; and
 - (d) prepared, reviewed, and finalized this Third Report.

TRANSACTION UPDATE

- 14. As detailed in the First Report, one of the conditions set out in Section 4.1(b)(i) of the Sale Agreement detailed that the Receiver was responsible for obtaining a Phase II Environmental Site Assessment (the “**Phase II ESA**”), to be addressed to both the Receiver and the Purchaser.
- 15. As further detailed in the Second Report and the Third Confidential Supplement, the Phase II ESA identified certain elevated testing results with respect to the soil, groundwater, and indoor air quality conditions at the Property, and additional testing was recommended by the Environmental Consultant in order to attempt to delineate the extent of the environmental impacts.
- 16. Despite the best efforts of the Receiver, the Purchaser, and the Provincial Environmental Regulator, on January 9, 2026, the Receiver was verbally advised by the Purchaser that it was no longer prepared to close the Transaction, primarily resulting from the:
 - (a) Environmental uncertainties existing at the Property;
 - (b) Potential liability exposure from adjacent property owners if it was determined that any contaminants were migrating offsite;
 - (c) Costs of remediating the Property; and
 - (d) Inability to obtain financing to complete the redevelopment of the Property due to the current contamination.
- 17. On January 14, 2026, the Receiver received correspondence from the Purchaser’s legal

counsel, attached hereto as **Appendix A**, advising that:

- (a) the Purchaser's Initial Condition set out in Section 4.1(a)(i) of the Sale Agreement has not been satisfied or waived by the Purchaser;
 - (b) the Sale Agreement is terminated and rendered null and void; and
 - (c) the First Deposit (as defined in Confidential Supplement to the First Report) in the amount of \$250,000 (the "**Transaction Deposit**") be returned to the Purchaser within two (2) business days subject to the obligations of the Receiver to borrow any funds required to fund such payment.
18. As the Transaction will not be completed, and BDC is not prepared to continue funding the receivership proceedings, BDC has requested that the Receiver seek its discharge at this time.

FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL

19. Pursuant to paragraph 20 of the Receivership Order, the Receiver and its legal counsel shall pass their accounts from time to time. The Receiver is of the view that the primary party of interest is BDC given that they hold a priority interest over all of the Property of the Company. BDC has been served with this Third Report and has been provided with all invoices of the Receiver within these proceedings.
20. Attached as **Appendix B** is the Receiver's invoice for its fees and disbursements incurred during the course of the proceedings for the period November 14, 2025 to January 9, 2026. The Receiver's invoice totals \$24,321 in fees and disbursements, inclusive of GST. As at the date of this Third Report, \$84,323 (inclusive of GST) remains unpaid, and the Receiver estimates that its fees and disbursements incurred subsequent to January 9, 2026, to finalize this Third Report, to prepare for and attend the January 15, 2026 hearing, and to finalize the Receiver's discharge will approximate \$10,000 (plus GST) (the "**Estimated Receiver Fees**").
21. The fees charged by the Receiver are based on the amount of professional time required at hourly billing rates, which vary depending upon the experience level and location of

professionals involved. The average blended hourly rate charged by the Receiver in these proceedings for invoices issued to date is \$464 per hour. The rates charged by the Receiver are the normal rates and charges for engagements of this nature, and are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory services.

22. The Receiver is of the view that its fees and disbursements are fair and reasonable in the circumstances and have been duly rendered in response to the required and necessary duties of the Receiver in accordance with the provisions of the Receivership Order.
23. Attached as **Appendix C** is a summary of the invoice of the Receiver's legal counsel for fees and disbursements incurred during the course of the proceedings for the period September 21, 2025 to January 9, 2026. The accounts total \$29,232 in fees and disbursements inclusive of RST and GST. As at the date of this Third Report, \$59,542 (inclusive of RST and GST) in legal fees remains unpaid, and Pitblado LLP estimates that its fees and disbursements incurred subsequent to January 9, 2026, to prepare for and attend the January 15, 2026 hearing, and to assist with finalizing the Receiver's discharge will approximate \$7,500 (plus taxes) (the "**Estimated Legal Fees**").
24. The Receiver has reviewed the invoices rendered by its legal counsel and finds them reasonable and validly incurred in accordance with the provisions of the Receivership Order.
25. Copies of the invoices of the Receiver's legal counsel, which outline the dates the work was completed, the description of the work completed, the length of time taken to complete the work, and the names and rates of the individuals who completed the work, can be made available to the Court upon request.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. The Receiver has prepared a Statement of Receipts and Disbursements for the period November 30, 2023 to January 12, 2026, a copy of which is attached hereto as **Appendix D**. Total receipts were \$1,315,287 (inclusive of the Receiver's borrowings) and total disbursements were \$1,254,773, resulting in \$60,514 being held in trust by the Receiver

(the “Residual Trust Funds”).

27. As at the date of this Third Report, in accordance with paragraph 22 of the Receivership Order and paragraph 4 of the Court Order dated February 11, 2025, the Receiver has borrowed \$800,000 from the Court authorized Borrowing Facility to fund the receivership proceedings. The Court Order dated November 26, 2025 granted a further increase in the Receiver’s Borrowings Charge to \$1,100,000, but as at the date of this Third Report, the Receiver has not been able to obtain any additional advances under the increased facility.
28. At the November 26, 2025 hearing, the Receiver raised that in order for the receivership proceedings to continue and to close the Transaction, an increase in the Receiver’s Borrowings Charge was required to address commitments made by the Receiver, and for ongoing holding costs of the Property to approximately January 31, 2026. It was also noted by BDC during the hearing that, although BDC did not object to an increase in the Receiver’s Borrowings Charge, they were also not prepared to commit to funding same.
29. During the period of November 27, 2025 to January 9, 2026, the Receiver, the Purchaser, and BDC attempted to come to terms to fund the receivership and close the Transaction, however, on January 9, 2026, the Receiver was first advised by the Purchaser that they were abandoning the Transaction.
30. A detailed schedule in support of the requested increase in the Receiver’s Borrowings Charge was attached as Appendix H to the Third Confidential Supplement. Summarized in the table below are the Receiver’s unpaid invoiced costs incurred to January 12, 2026, inclusive of the Transaction Deposit:

**Kromar Printing Ltd.
In Receivership
Unpaid Invoiced Costs Incurred to January 12, 2026**

	Amount
Funds Held in Trust - January 12, 2026	\$ 60,514
Unpaid Invoiced Costs Incurred to January 12, 2026	
Professional Fees	143,865
Environmental Consultant	76,650
Operating	19,602
Transaction Deposit	250,000
(Shortfall)/Surplus	\$ (429,603)

31. BDC has advised the Receiver that it is prepared to provide additional funding under the Receiver's Borrowings Charge to satisfy the outstanding accounts of the Receiver and the Receiver's legal counsel (in the aggregate amount of \$143,865), exclusive of the estimated costs to complete the receivership proceedings, as detailed below:

Unpaid Professional Fees				
BDO Canada Limited				
02-Sep-25	CINV3580600	\$	35,081	
17-Nov-25	CINV3673830		24,922	
13-Jan-26	CINV3745439		24,321	\$ 84,323
Pitblado LLP				
01-Oct-25	554535	\$	30,310	
12-Jan-26	559640		29,232	\$ 59,542
Subtotal				\$ 143,865
Estimated to Complete				
BDO Canada Limited				
		\$	10,500	
Pitblado LLP				
			8,400	\$ 18,900
Total				\$ 162,765

32. As BDC is not prepared to advance any further funds under the Receiver's Borrowings Charge to completely address the outstanding expenses incurred in the Receivership proceedings, as summarized above and detailed in **Appendix E**, the Receiver is seeking the Court's approval to make the below *pro rata* payment to the identified account holders and the Purchaser from the funds remaining in the estate after deduction of the estimated costs of the Receiver and the Receiver's legal counsel (pursuant to the Receiver's Charge granted in the Receivership Order):

- (a) Pinchin - \$9,212 (on account of its outstanding accounts of \$76,650);
- (b) JHanson HVAC Group - \$734 (on account of its outstanding accounts of \$6,111);
- (c) Miller Environmental - \$1,621 (on account of its outstanding accounts of \$13,492);
and
- (d) Purchaser - \$30,046 (on account of the Transaction Deposit of \$250,000).

APPROVALS SOUGHT

33. For the reasons outlined above, the Receiver respectfully requests that the Court provide an Order:

- (a) approving the Third Report and the reported actions of the Receiver detailed therein in respect of administering these receivership proceedings, including approving the *pro rata* payment of outstanding expenses incurred in the Receivership from the Residual Trust Funds and the Receiver’s Statement of Receipts and Disbursements for the period November 30, 2023 to January 12, 2026;
- (b) approving the fees and disbursements of the Receiver and its legal counsel for the period November 14, 2025 to January 9, 2026, and September 22, 2025 to January 9, 2026, respectively;
- (c) approving the Estimated Receiver Fees and the Estimated Legal Fees;
- (d) approving that any further funds advanced by BDC to the Receiver to pay the outstanding accounts of the Receiver and its counsel shall be for the exclusive benefit of the Receiver and its counsel and shall be added to the Receiver’s Borrowings Charge;
- (e) that upon the Receiver filing with this Honourable Court its discharge certificate (the “**Receiver’s Discharge Certificate**”) confirming that the Receiver has settled all outstanding obligations incurred during the proceedings as detailed above from the Residual Trust Funds, that BDO be discharged from any and all liability, save and except for any liability arising out of gross negligence or willful misconduct on the part of the Receiver, provided that notwithstanding such discharge:
 - (i) the Receiver shall remain Receiver for the performance of such routine administrative tasks as may be required to complete the administration of these proceedings; and
 - (ii) the Receiver 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 favor of BDO in its capacity as Receiver; and
- (f) granting such further and other relief that the Court considers just and warranted in the circumstances.

All of which is respectfully submitted at Winnipeg, Manitoba, this 14th day of January 2026.

BDO CANADA LIMITED

In its capacity as Receiver of
Kromar Printing Ltd.
and not in its personal capacity.



Per: Brent Warga, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix A – January 14, 2026 Correspondence from Marrelli & Co.

MARRELLI & CO.

Barristers and Solicitors

100 Canadian Road
Toronto, Ontario
M1R 4Z5
Telephone: (416) 7457
Facsimile:(416)9717458
james@marrelli.on.ca

December 14, 2026

Pitblado Law
2500-360 Main Street
Winnipeg, Manitoba
R3C 4H6

Via Email: howden@pitblado.com

Attention: Ms. Catherine Howden

Dear Ms. Howden:

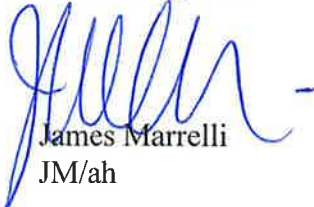
**Re: Purchase Agreement dated July 11, 2024 between BDO Canada Limited, as Vendor,
and NAWOC Holdings Limited, as Purchaser, with respect to 725 Portage Avenue,
Winnipeg, Manitoba (the "Purchase Agreement")**

Please accept this letter as written notice that the Purchaser's Initial Condition set out in Section 4.1(a)(i) of the Purchase Agreement has not been satisfied and is not waived by the Purchaser. Accordingly, the Purchase Agreement is hereby terminated and rendered null and void. As provided for in the Purchase Agreement and Section 9 of the Amending Agreement dated February 18, 2025, we request that the First Deposit in the amount of \$250,000.00 be returned to our client within the next two (2) business days, subject to the obligations of the Vendor to borrow any funds required to fund such payment.

All capitalized terms not expressly defined herein have the meaning ascribed to them in the Purchase Agreement.

Yours very truly,

Marrelli & Co.



James Marrelli
JM/ah

Cc. Michael Foy
Jack Fleming
Iqbal Khan
Frank Abrantes
E. Scott Ransom

Appendix B – Fees and Disbursements of the Receiver

KROMAR PRINTING LTD.

**SUMMARY OF RECEIVER FEES AND DISBURSEMENTS
BDO CANADA LIMITED**

Date	Invoice #	Fees	Disbursements	GST	Total	Hours
13-Jan-26	CINV3745439	\$ 22,860	\$ 303	\$ 1,158	\$ 24,321	46.6
Total		\$ 22,860	\$ 303	\$ 1,158	\$ 24,321	46.6



Tel: 204 956 7200
www.bdo.ca

BDO Canada Limited
201 Portage Ave, 26th Floor
Winnipeg, MB R3B 3K6

Strictly Private & Confidential

Business Development Bank of Canada
Business Restructuring
81 Bay Street, Unit 3700
Toronto, ON M5J 0E7

Attention: Mathieu Richard, Director Business Restructuring

Date	Invoice
January 13, 2025	CINV3745439 CUS0079408

RE: Kromar Printing Ltd. - Receivership

TO OUR FEE FOR PROFESSIONAL SERVICES for the work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 22,860.00
Disbursements: Mail Redirection	302.75
Subtotal	\$ 23,162.75
GST/HST (5%) 101518124RT0001	1,158.14
TOTAL	\$ 24,320.89

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	25.7	550.00	14,135.00
J.Parsi, Partner	1.6	550.00	880.00
J. Fritz, Sr. Manager	15.7	450.00	7,065.00
Z. Klassen, Sr. Associate	0.6	300.00	180.00
L. Demchuck, Technician	3.0	200.00	600.00
Total	46.6		\$ 22,860.00

Ways to pay:

- EFT/Wire Payments:
Beneficiary Bank: Canadian Imperial Bank of Commerce - Commerce Court, 199 Bay Street, Toronto ON M5L 1G9
Account Name: BDO Canada LLP
Account #: 9126910, Transit #: 00002, Bank #: 0010; BIC Code #: CIBCCATT, Canadian Clearing Code (CCC) #: CC001000002 (please include CCC# in the payment details field)
Please email your payment notifications to EFTPayments@bdo.ca
BDO does not accept interac/email transfers

GST No. 101518124RT0001



Staff	Date	Comments	Hours
B. Warga	2025-11-17	Billing; updates to Second Report and Third Confidential Supplement.	2.1
L. Demchuk	2025-11-17	Record and process deposit; save support to file.	0.2
B. Warga	2025-11-18	Correspondence to/from BDC re: Court hearing; call with BDC re: borrowing charge; correspondence to/from Pinchin re: joint call.	1.2
J. Fritz	2025-11-18	Appointing creditor correspondence re: update.	0.5
B. Warga	2025-11-19	Review of Notice of Motion; updates to Third Confidential Report; correspondence to/from Pitblado re: meeting with Purchaser/Environmental Consultant.	0.7
J. Fritz	2025-11-19	Court reporting matters.	1.3
B. Warga	2025-11-20	Call with Environmental Consultant, Purchaser, and legal counsels re: transaction; review and updates to Second and Third Confidential Report; calls with Environmental Consultant.	2.7
J. Fritz	2025-11-20	Environmental consultant correspondence; correspondence with counsel; Purchaser correspondence; Court reporting update.	2.8
B. Warga	2025-11-21	Correspondence to/from Pitblado re: reporting; finalize Second Report and Third Confidential Supplement; correspondence to/from Pinchin re: meeting with MB Regulator; update correspondence to BDC.	2.1
J. Parisi	2025-11-21	Review report and appendices; provide comments on same.	1.6
L. Demchuk	2025-11-21	Trust accounting.	0.2
B. Warga	2025-11-24	Preparation for Court hearing; printing of final Reports and Notice of Motion; correspondence to/from C. Howden re: provision of Confidential Report to interested stakeholders; correspondence to City of Winnipeg re: file status.	0.9
J. Fritz	2025-11-24	Building maintenance and payable matters.	0.4
B. Warga	2025-11-25	Review of correspondence from the City of Winnipeg and CRA re: Court hearing; calls with Pitblado re: same.	0.8
J. Fritz	2025-11-25	Correspondence with counsel.	0.3
Z. Klassen	2025-11-25	Compile GST.	0.3
B. Warga	2025-11-26	Attendance at Kromar Hearing; correspondence to/from BDC and MLTA re: MB Regulator meeting and funding.	2.4
L. Demchuk	2025-11-26	Draft payable requisition and record payables in Ascend for processing; print cheques; scan support to file.	0.4
Z. Klassen	2025-11-26	File GST return.	0.1
B. Warga	2025-11-28	Call with MB Regulator, Environmental Consultant, Purchaser, and counsels; follow up call with Pitblado.	1.6
J. Fritz	2025-11-28	Correspondence with counsel; correspondence with prospective purchaser, environmental consultant, and environmental regulator.	1.3

Staff	Date	Comments	Hours
B. Warga	2025-12-02	Call with C. Howden re: file matters; correspondence to Purchaser re: transaction status update.	0.4
B. Warga	2025-12-03	Correspondence to/from Purchaser re: transaction status and meeting.	0.2
B. Warga	2025-12-05	Calls with Purchaser re: transaction; calls with Pitblado re: transaction and options; draft correspondence to MB Regulator.	2.3
J. Fritz	2025-12-05	Correspondence with counsel; prospective purchaser correspondence; Environmental Regulator correspondence.	0.9
B. Warga	2025-12-08	Review of 246(2) Report and correspondence to/from Purchaser.	0.3
J. Fritz	2025-12-08	Statutory reporting (s. 246(2)); building maintenance and payables matters.	0.8
J. Fritz	2025-12-09	Correspondence with Environmental Consultant.	0.2
B. Warga	2025-12-10	Correspondence with MB Regulator; call with Purchaser; drafting of purchase options; discussions with J. Fritz re: options; correspondence to/from BDC.	2.2
J. Fritz	2025-12-10	Purchaser correspondence; preparation of funding scenario analysis.	1.1
L. Demchuk	2025-12-10	Draft cheque requisition for approval; record payables for processing.	0.5
B. Warga	2025-12-11	Discussion of options analysis with J. Fritz; drafting of same; correspondence to Purchaser.	1.0
J. Fritz	2025-12-11	Prospective purchase option summary finalization.	0.5
L. Demchuk	2025-12-11	Process payables; print and mail cheques; scan support to file; void and reissue cheque.	0.5
B. Warga	2025-12-15	Call with Purchaser; update to draft option summary.	0.7
J. Fritz	2025-12-15	Purchaser discussion re: closing options.	0.4
L. Demchuk	2025-12-16	Trust accounting.	0.2
B. Warga	2025-12-19	Discussion of file matters with J. Fritz; correspondence to/from BDC; deposit.	0.4
J. Fritz	2025-12-19	Site attendance; City correspondence re: building maintenance matters.	1.7
L. Demchuk	2025-12-19	Print cheques and scan support to file; mail cheques.	0.2
B. Warga	2025-12-22	Call with Purchaser; call with BDC re: options.	0.8
J. Fritz	2025-12-22	Appointing creditor correspondence and Prospective purchaser correspondence re: options to close; building maintenance matters.	0.9
L. Demchuk	2025-12-22	Draft payable request for approval; record payables in Ascend.	0.2
Z. Klassen	2025-12-22	Prepare and file November 2025 GST return.	0.2
B. Warga	2025-12-23	Correspondence to/from BDC and Purchaser re: transaction matters.	0.6



Staff	Date	Comments	Hours
J. Fritz	2025-12-23	Building maintenance matters; Purchaser/counsel correspondence.	0.6
L. Demchuk	2025-12-23	Print and mail cheques; scan support to file.	0.2
B. Warga	2026-01-02	Correspondence to BDC re: transaction matters; review of correspondence to/from Purchaser; review of Pinchin billings and correspondence to/from J. Fritz re: same.	0.5
J. Fritz	2026-01-02	Building maintenance and payable matters.	0.4
J. Fritz	2026-01-05	Building maintenance and payable matters.	0.3
J. Fritz	2026-01-06	Building maintenance, payables, G. Kopec correspondence matters; deposit processing.	0.3
L. Demchuk	2026-01-06	Record and process deposit; correspondence with J. Fritz; draft payable requisition.	0.4
B. Warga	2026-01-07	Correspondence to/from Pitblado re: file matters and Court hearing.	0.2
B. Warga	2026-01-08	Call with BDC re: transaction; call with Pitblado re: same.	0.5
J. Fritz	2026-01-08	Appointing creditor correspondence; correspondence with counsel.	0.5
B. Warga	2026-01-09	Call with Purchaser, call with BDC, call with Pitblado re: transaction matters; review of outstanding accounts; updates to R&D.	1.1
J. Fritz	2026-01-09	Purchaser correspondence; counsel correspondence; forecast disbursements compilation.	0.5

Appendix C – Fees and Disbursements of the Receiver’s Legal Counsel

KROMAR PRINTING LTD.

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
PITBLADO LLP**

Date	Invoice #	Fees	Disbursements	GST	PST	Total	Hours
12-Jan-26	559640	\$ 25,794	\$ 335	\$ 1,298	\$ 1,806	\$ 29,232	62.5
Total		\$ 25,794	\$ 335	\$ 1,298	\$ 1,806	\$ 29,232	62.5

Appendix D – Statement of Receipts and Disbursements for the period November 30, 2023 to January 12, 2026

KROMAR PRINTING LTD.
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period November 30, 2023 to January 12, 2026

	<u>Amount</u>	<u>Notes</u>
Receipts		
Cash on hand	\$ 201	
Accounts receivable	151,328	
GST refund	6,561	
GST collections	1,776	
Insurance proceeds	33,164	
Interest	5,962	
Miscellaneous receipts	550	
Receiver's borrowings	800,000	
Sale of assets	315,745	
Sale of assets - equipment	29,675	
Sale of assets - real property	250,541	
Sale of assets - pending orders	35,529	
Total Receipts	1,315,287	
Disbursements		
Appraisal fees	6,500	
Bank fees	48	
Casual labour	24,661	
Chemical disposal	15,263	
Customer flow through payments	4,061	1
Environmental	76,360	
Equipment lease	5,291	
Filing fees	151	
GST on disbursements	26,744	
GST on Receiver fees and disbursements	13,470	
GST on legal fees and disbursements	6,499	
Insurance	209,344	
Legal fees and disbursements	130,432	2
License renewal	1,812	
Payroll processing	185	
PST on disbursements	11,609	
PST on legal fees and disbursements	9,009	
Receiver fees and disbursements	269,404	3
Repairs and maintenance	283,160	
Security	4,042	
Utilities	156,730	
Total Disbursements	1,254,773	
Excess of Receipts over Disbursements - Funds Held in Trust as at January 12, 2026	\$ 60,514	

Notes:

- 1) Flow through payments to suppliers in order to complete pending customer orders.
- 2) Excludes legal fees and disbursements subsequent to April 30, 2025.
- 3) Excludes Receiver's fees and disbursements subsequent to May 30, 2025.

Appendix E – Proposed Pro Rata Allocation of Residual Trust Funds

**Kromar Printing Ltd.
In Receivership
Proposed Pro Rata Allocation of Residual Trust Funds**

	Amount	%	Payment
Funds Held in Trust - January 12, 2026	\$ 60,514		
Less: Estimated Professional Costs to Complete			
BDO Canada Limited	\$ 10,500		
Pitblado LLP	8,400		\$ 18,900
Residual Trust Funds Available to Pay Estate Creditors			41,614
Unpaid Costs Incurred to January 12, 2026			
(1) Environmental Consultant			
Pinchin			
24-Jul-25	1666145	\$ 5,250	
27-Aug-25	1668972	47,880	
07-Oct-25	1672987	23,520	\$ 76,650
			22% \$ 9,212
(2) Operating			
The JHanson HVAC Group			
26-Sep-25	5304-1	\$ 754	
12-Oct-25	5857-1	5,357	\$ 6,111
			2% \$ 734
Miller Environmental			
08-Aug-25	SI015198	\$ 13,492	4% \$ 1,621
Alarm and Site Monitoring (Protelec, Bell, R. Cohen)			Unknown
Alpha Masonry (Scaffolding)			Unknown
City of Winnipeg Water			Unknown
FCA Insurance Brokers			Unknown
Historian Research			Unknown
Manitoba Hydro			Unknown
TKE (Elevator Maintenance)			Unknown
(3) Transaction Deposit			\$ 250,000
		72%	30,046
Total			\$ 41,614