

File No. CI 24-01-46529

**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, RSC
1985, c B-3, AS AMENDED AND SECTION 55 OF
THE COURT OF KING'S BENCH ACT, CCSM c
C280**

BETWEEN:

ROYAL BANK OF CANADA,

Applicant,

- and -

**PADM GROUP INC., PADM MEDICAL INC., and ROSWELL DOWNHOLE
TECHNOLOGIES INC.**

Respondents.

DISTRIBUTION AND DISCHARGE ORDER

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Client File No. 32608-6

THE KING'S BENCH
Winnipeg Centre

THE HONOURABLE) TUESDAY, the 25th
)
MR. JUSTICE CHARTIER) DAY OF NOVEMBER, 2025

B E T W E E N:

ROYAL BANK OF CANADA,

Applicant,

- and -

PADM GROUP INC., PADM MEDICAL INC., and ROSWELL DOWNHOLE
TECHNOLOGIES INC.

Respondents.

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by BDO Canada Limited (“**BDO**”) in its capacity as the Court-Appointed Receiver (the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of PADM Group Inc., PADM Medical Inc. and Roswell Downhole Technologies Inc. (collectively, the “**Debtors**”), for an order authorizing distribution of the net sales proceeds as described in the proposed Distribution Schedule attached as Appendix D to the Third Report of the Receiver dated November 20, 2025 (the “**Third Report**”), discharging the Receiver, and other relief, was heard this day at Winnipeg, Manitoba.

ON READING the First Report of the Receiver dated September 19, 2024 (the “**First Report**”), the Confidential Supplement to the First Report dated September 19, 2024 (the “**Confidential Report**”), the Second Report of the Receiver dated November 7, 2024 (the “**Second Report**”), the Confidential Supplement to the Second Report dated November 7, 2024 (the “**Second Confidential Report**”), the Third Report, and on hearing the submissions of counsel for

the Receiver, counsel for the Applicant, counsel for the creditor, Business Development Bank of Canada, no one else appearing for any other person on the service list, although served as appears by the Affidavit of Service of Michelle Loftus, affirmed November 24, 2025 and the Affidavit of Service of Michaela Watson, affirmed November 24, 2025, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the supporting materials is hereby abridged and validated so this motion is properly returnable today and hereby dispenses with further service thereof.

RETENTION OF THE DIAMOND BAR DEPOSIT

2. THIS COURT ORDERS AND DECLARES that, as detailed in the Third Report, the deposit provided by Diamond Bar C Syndicate Ltd. as part of the sales process for the sale of certain assets of PADM Medical Inc. and Roswell Downhole Technologies Inc. has been forfeited by Diamond Bar C Syndicate Ltd. and properly retained by the Receiver.

APPROVALS

3. THIS COURT ORDERS that the activities of the Receiver, as set out in the First Report, the Second Report, and the Third Report are hereby approved, including the Statement of Receipts and Disbursements for the period of May 23, 2024 to November 17, 2025.

4. THIS COURT ORDERS that the fees and disbursements of the Receiver and its legal counsel, as set out in the First Report, Second Report, and Third Report, inclusive of the estimated fees and disbursements of the Receiver and its legal counsels, are hereby approved without the necessity of a formal passing of accounts.

DISTRIBUTION

5. THIS COURT ORDERS that the Receiver is authorized to maintain a holdback of \$100,000 (the “**Receiver’s Holdback**”) on account of further fees and disbursements of the Receiver and its legal counsel, and to apply from time to time the amounts so held back against such further fees and disbursements without the requirement of taxation or passing of accounts.

6. THIS COURT ORDERS that the Receiver is authorized and directed to pay from the net sales proceeds the Priority Distributions as set out in paragraph 46 of the Third Report, as follows:

- a) the WEPP Priority in the amount of \$57,491.31;
- b) the Pension Priority in the amount of \$39,828.98;
- c) Travelers Leasing Ltd. on account of its security in the amount of \$214,214.21;
- d) Coast Capital Equipment Leasing Ltd. on account of its security in the amount of \$17,968.45;
- e) CWB National Leasing Inc. on account of its security in the amount of \$75,183.87;
- f) Royal Bank of Canada on account of its security in the amount of \$780,954.25;
- g) Business Development Bank of Canada on account of its security in the amount of \$267,520.46; and
- h) to the extent any surplus funds remain from the Receiver’s Holdback after payment of the Receiver’s obligations, including professional fees, such surplus may be paid to the Royal Bank of Canada and Business Development Bank of Canada in accordance with the proportionate allocations detailed in the Priority Distribution Schedule attached as Appendix D to the Third Report.

CONDITIONAL DISCHARGE

7. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 6 hereof and upon the Receiver filing a certificate substantially in the form attached hereto as Schedule A to this Order certifying that:

- a) The Receiver has completed the Priority Distributions as set out in the Third Report; and
- b) All other matters in the administration of the Debtors' estate have been completed, including but not limited to, the distribution of any residual funds from the Receiver's Holdback;

the Receiver shall be fully discharged as Receiver of the undertakings, property and assets of the Respondents, provided however that notwithstanding its discharge herein:

- c) The Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and
- d) The Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of BDO in its capacity as Receiver.

8. THIS COURT ORDERS AND DECLARES that BDO is hereby released and discharged from any and all liability that BDO now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, BDO is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

9. THIS COURT ORDERS AND DECLARES that no action or other proceeding shall be commenced against the Receiver, including its officers, directors, employees, solicitors and agents and assigns in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver, and upon such terms as this Court may direct.

MISCELLANEOUS MATTERS

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

11. THIS COURT ORDERS that this Order shall be served by email to all parties on the Service List, and any other party who appeared at the hearing of this motion, and further service is hereby dispensed with.

November 25, 2025

G.L. Chartier

Digitally signed by G.L.
Chartier
Date: 2025.12.03 13:26:18
-06'00'

Justice Chartier

I, Charles Roy, of the firm of Taylor McCaffrey LLP, hereby certify that I have received the consents as to form of the following parties:

Royal Bank of Canada, as represented by Kalev A. Anniko at Fillmore Riley LLP

Business Development Bank of Canada, as represented by Richard W. Schwartz at Tapper Cuddy LLP

as directed by the Honourable Mr. Justice Chartier.

SCHEDULE A – Form of Receiver’s Certificate

File No. CI 24-01-46529

**THE KING’S BENCH
WINNIPEG CENTRE**

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER
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THE COURT OF KING’S BENCH ACT, CCSM c
C280**

B E T W E E N:

ROYAL BANK OF CANADA,

Applicant,

- and -

**PADM GROUP INC., PADM MEDICAL INC., and
ROSWELL DOWNHOLE TECHNOLOGIES INC.**

Respondents,

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice G.L. Chartier of the Manitoba Court of King's Bench (the “**Court**”) dated May 23, 2024, BDO Canada Limited was appointed Receiver (“**Receiver**”) of the undertaking, property and assets of the Respondents (the “**Debtors**”);

B. Pursuant to the Distribution and Discharge Order of this Court pronounced November 25, 2025 (the “**Distribution and Discharge Order**”) the Receiver has satisfied the conditions including having paid out any net realizations as directed by the Discharge Order and completed the administration of the Debtors’ estate;

C. Unless otherwise indicated herein, terms with initial capitals have the same meanings set out in the Distribution and Discharge Order.

Original Court Copy

THE RECEIVER CERTIFIES the following:

1. The Receiver has paid the net sales proceeds in accordance with the Distribution and Discharge Order, and in particular as set out in paragraph 46 of the Third Report.
2. The Receiver has completed the outstanding activities described in the Third Report and completed its administration of the Debtors' estate.

This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**BDO Canada Limited, in its capacity as
Receiver, without security, of all of the assets,
undertakings and properties of the Debtors,
and not in its personal capacity**

Per: _____
Name:
Title: