

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:

ROYAL BANK OF CANADA

Applicant,

-and-

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

Respondents.

**THIRD REPORT OF THE RECEIVER
BDO CANADA LIMITED**

NOVEMBER 20, 2025

RECEIVER

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INTRODUCTION

1. On May 23, 2024, Royal Bank of Canada (“**RBC**” 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**”), to appoint BDO Canada Limited (“**BDO**”) as receiver (the “**Receiver**”), without security, of all the assets, undertakings, and properties (the “**Property**”) of PADM Group Inc. (“**PADM Group**”), PADM Medical Inc. (“**PADM Medical**”), and Roswell Downhole Technologies Inc. (“**Roswell**”, and collectively with PADM Group and PADM Medical, the “**Companies**”) acquired for or used in relation to the businesses carried on by the Companies. On May 23, 2024 (the “**Date of Receivership**”), the Honourable Justice G. L. Chartier granted an order (the “**Receivership Order**”) appointing BDO as Receiver in respect of the Property. A copy of the Receivership Order 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/PADMGroup>.
2. This report constitutes the third and final report of the Receiver (the “**Third Report**”), and is being filed to inform the Court as to the following:
 - (a) the activities of the Receiver since the filing of the Receiver’s second report dated November 7, 2024 (the “**Second Report**”); and
 - (b) details of the Companies’ liabilities including charges, security interests, and encumbrances registered against the Property, and the Receiver’s recommendation with respect to the disbursement of the net Property sale proceeds.
3. Furthermore, this Third Report is being filed in support of the Receiver’s motion to this Honourable Court on November 25, 2025, seeking the following:
 - (a) approval of the first report dated September 19, 2024 (the “**First Report**”), the Second Report, and this Third Report, and the activities of the Receiver since the Date of Receivership in respect of administering these receivership proceedings, including the approval of the Receiver’s Statement of Receipts and Disbursements for the period May 23, 2024 to November 17, 2025;

- (b) approval of the retention of the Diamond Bar Deposit (as defined below);
- (c) approval of the Distribution Schedule (as defined below) and payment of the Priority Distributions (as defined below) detailed therein;
- (d) approval of the Receiver's Holdback (as defined below) to complete the within motion and to finalize the receivership proceedings;
- (e) approval of the payment of any amounts remaining from the Receiver's Holdback to RBC and Business Development Bank of Canada ("**BDC**") on account of the priority of the RBC Security and the BDC Security, up to the amount of the RBC Indebtedness and the BDC Indebtedness (all as defined below);
- (f) approval of the fees and disbursements of the Receiver and its legal counsels, including the Estimated Receiver Fees and the Estimated Legal Fees (both as defined below); and
- (g) an Order providing for the discharge of the Receiver.

TERMS OF REFERENCE

4. In preparing this Third Report, the Receiver has relied upon unaudited interim and annual financial information, the Companies' books and records, the affidavit of Alex Wang dated May 15, 2024 (the "**Wang Affidavit**"), and discussions with management ("**Management**") and their financial and legal advisors.
5. The financial information of the Companies 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 Companies. Additionally, none of the Receiver's procedures were intended to detect 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.

6. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Third Report. Any use that any party makes of this Third Report, or any reliance on or decisions to be made based on it is the responsibility of such party.
7. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.
8. Capitalized terms used in this Third Report but not defined herein are as defined in the Pre-Filing Report dated May 22, 2024 (the “**Pre-Filing Report**”), the First Report, the Second Report, and the Receivership Order.

BACKGROUND

9. A more fulsome description of the Companies and the causes of their respective financial difficulties is detailed in the Pre-Filing Report and the Wang Affidavit.
10. Each of the Companies was a private corporation focused on fostering innovation and sustainability through advanced technologies:
 - (a) PADM Group was an Advanced Digital Manufacturing leader in Canada that focused on metal and polymer additive manufacturing of precision components with complex geometries and regulatory requirements in the medical, aerospace/defense, and energy sectors. PADM Group operated out of leased premises at 1595 Buffalo Place (“**Buffalo Place**”) Unit A in Winnipeg, Manitoba.
 - (b) PADM Medical manufactured and distributed essential medical Personal Protective Equipment and consumer products with a focus on sustainable healthcare solutions. PADM Medical operated out of leased premises at Buffalo Place Unit B.
 - (c) Roswell operated as two (2) distinct divisions:

- (i) Roswell Downhole Technologies (“**Downhole**”) manufactured essential components (i.e. tubing encapsulated cable and capillary tubing) for energy exploration and production; and
- (ii) Roswell Textiles (“**Textiles**”) provided eco-friendly textile solutions, focusing on highly technical and complex materials for applications in medical textiles.

Roswell operated out of leased premises at Bay 17, 47 Aero Drive NE in Calgary, Alberta (“**Aero Drive**”).

- 11. RBC and BDC are the principal secured lenders to the Companies in respect of the Property and, subject to certain serialized goods and purchase money security interest (“**PMSI**”) registrations, hold various first ranking security positions (the “**RBC Security**” and the “**BDC Security**”, respectively) against the Property. As detailed in the Wang Affidavit, RBC was owed approximately \$2.6 million (the “**RBC Indebtedness**”) (plus legal fees, costs, and expenses) from the Companies as at May 14, 2024, with interest continuing to accrue thereon. According to the books and records of the Companies, BDC was owed approximately \$4.1 million (the “**BDC Indebtedness**”) based on March 31, 2024 internal financial statements.

ACTIVITIES OF THE RECEIVER SINCE THE SECOND REPORT

- 12. Since the date of the Second Report, the Receiver has undertaken the following activities with respect to the Property:
 - (a) corresponded with the landlords for Buffalo Place (Unit B) and Aero Drive and exited both locations;
 - (b) addressed a damage and rental claim dispute with the landlord for Aero Drive;
 - (c) corresponded with third parties who asserted an interest in certain assets located at Aero Drive and Buffalo Place, and released the Receiver’s interest therein as appropriate;
 - (d) continued the administration of the Wage Earner Protection Program (“**WEPP**”) filing (the “**WEPP Filing**”);

- (e) closed the PADM Medical/Textiles Transaction with SSD (as defined in the Second Report), involving certain of the assets of PADM Medical and Rowell, as approved by the sale approval and vesting order dated November 12, 2024 (the “**November 12, 2024 SAVO**”), attached hereto as **Appendix A**;
- (f) completed an independent assessment of the various security interests in the net Property sale proceeds being held in trust;
- (g) corresponded with Canada Revenue Agency (“**CRA**”) in respect of certain corporate tax and scientific research and experimental design (“**SRED**”) filing matters;
- (h) completed certain annual corporate tax and SRED filings for the Companies; and
- (i) prepared, reviewed, and finalized this Third Report.

CLOSING OF THE PADM MEDICAL/TEXTILES TRANSACTION

13. In accordance with the November 12, 2024 SAVO, the PADM Medical/Textiles Transaction was completed to the satisfaction of the Receiver on November 20, 2024, and accordingly, the Receiver provided SSD with the executed Receiver’s Certificate that same day. The Receiver’s Certificate was filed with the Court on November 25, 2024.

DIAMOND BAR DEPOSIT

14. As detailed in the Confidential Supplement to the Second Report of the Receiver dated November 7, 2024 (the “**Confidential Supplement**”), Diamond Bar C Syndicate Ltd. (“**Diamond Bar**”) was one of the parties who expressed an interest in the PADM Medical/Textiles Assets but declined the opportunity after its due diligence. Below is a summary of the Diamond Bar matter:

- (a) On September 16, 2024, Diamond Bar submitted a draft binding Letter of Intent (“**LOI**”) to the Receiver for its consideration. After certain amendments were made to the draft LOI, with the support of RBC and BDC, the Diamond Bar LOI was finalized and was executed on September 17, 2024 (the “**Diamond Bar LOI**”). The Diamond Bar LOI is attached hereto as **Appendix B**, and certain of the salient terms detailed therein were as follows:

- (i) purchase price of an amount between \$550,000 and \$1,100,000;
 - (ii) non-refundable deposit of \$100,000;
 - (iii) fifteen (15) day due diligence period;
 - (iv) exclusivity period of fifteen (15) days;
 - (v) closing on or before September 30, 2024, or within ten (10) calendar days of Court approval; and
 - (vi) exit of the Winnipeg (i.e. Buffalo Place Unit B) and Waterloo (i.e. 560 Conestogo Road) premises on or before October 15, 2024, and the Calgary premises (i.e. Aero Drive) on or before November 30, 2024.
- (b) On October 2, 2024, at the end of the due diligence period, Diamond Bar advised the Receiver that following its due diligence investigations, “*material defects in both the products and machinery for sale as part of the receivership process*” were identified, and as a result, Diamond Bar had “*significant concerns about proceeding with this transaction*”. Further, Diamond Bar alleged that “*the asset list initially provided differs materially from the updated, amended, and restated asset list that was recently provided – particularly on the IP and legal side. This discrepancy has caused a significant difference in the value originally prescribed for the transaction*”. Accordingly, Diamond Bar advised that they no longer wanted to proceed with the transaction, and requested that their \$100,000 non-refundable deposit be returned.
- (c) The Receiver responded that it was surprised by Diamond Bar’s decision, given the extensive due diligence and time invested by both the Receiver and Diamond Bar over the fifteen (15) day due diligence period but that, in accordance with the terms of the Diamond Bar LOI, the deposit was non-refundable.
- (d) Diamond Bar subsequently advised the Receiver of the following:
- (i) the Diamond Bar LOI states that the Purchase Price will be determined prior to the expiration of the fifteen (15) day due diligence period, being October 2,

2024;

- (ii) based on its due diligence investigations, and specifically the changing asset list, Diamond Bar was prepared to offer \$50,000 for the PADM Medical/Textiles Assets, well below the defined range of \$550,000 to \$1,100,000;
 - (iii) the Diamond Bar LOI states that “*if the Purchaser withdraws for any reason, provided that if the Seller does not accept the Purchase Price for the Business Assets proposed by the Purchaser following its due diligence investigations, the Seller shall reimburse the deposit to the Purchaser*”; and
 - (iv) therefore, either the Receiver must accept the \$50,000 offer or reimburse the non-refundable deposit as a result of the rejection of the *Purchase Price* by the *Seller*.
- (e) On October 3, 2024, the Receiver again articulated its position that the non-refundable deposit would not be returned, and advised Diamond Bar that it would seek the advice and direction of the Court in respect of same. The October 2 and 3, 2024 e-mail correspondence between the Receiver and Diamond Bar is attached hereto as **Appendix C**.
- (f) The Receiver further brings to the attention of the Court the following in respect of the Diamond Bar matter:
- (i) the initial PADM Medical/Textiles Assets list provided to Diamond Bar was the same list included in the PADM Medical/Textiles SIP, attached as Appendix E to the First Report;
 - (ii) Diamond Bar was provided with the PADM Medical/Textiles Assets list for information purposes only, and not in contemplation of the PADM Medical/Textiles SIP, as that formal process had ended and the terms of the Diamond Bar LOI governed the transaction;
 - (iii) the only assets that were removed from the initial PADM Medical/Textiles

Assets (as detailed in the PADM Medical/Textiles SIP) were the following:

- a. PADM Medical portion of the CAPPEM lawsuit – value ascribed in the pre-pack Transaction (as defined in the Pre-Filing Report) (the “**Pre-Pack Transaction**”) for the PADM Group portion of the CAPPEM lawsuit was \$5,000;
 - b. Hoosier Feeder Company Inc. Bowl Feeder – scrap value of \$500;
 - c. Twist Aluminum Nose Clips (12,157 kg) – scrap value of \$2,000;
 - d. Aluminum Nosebar (374 kg) – scrap value of \$1,000; and
 - e. Cleanroom – scrap value of \$2,150.
15. Based on the above, the Receiver believes that the Diamond Bar deposit has been forfeited, and accordingly, the deposit has been included in the Distribution Schedule (as defined below).

SRED REFUNDS

16. Prior to the Date of Receivership, with the assistance of Clarke SciTech Law LLP (“**CSL**”), PADM Group and PADM Medical submitted SRED claims for the tax year ended March 31, 2023 with CRA (collectively the “**SRED Claims**”). On June 11, 2024, CRA advised PADM Group and PADM Medical that the SRED Claims had been selected for review, and further requested various other supporting documents.
17. During the period of June 12, 2024 to November 17, 2024, various information was provided to CRA by former Management of PADM Group and PADM Medical, along with formal calls to discuss the nature and details of the projects being included in the SRED Claims.
18. On November 18, 2024, CRA provided correspondence (the “**CRA Denial**”) to the Receiver which suggested material amendments to the PADM Medical and PADM Group SRED refundable tax credits being claimed as summarized below (i.e. total proposed adjustments of \$285,501):

	Tax Credits		Change
	As Filed	CRA Assessed	
PADM Group Inc.			
Federal	399,266	241,650	157,616
Provincial	186,706	114,193	72,513
	585,972	355,843	230,129
PADM Medical Inc.			
Federal	64,352	15,749	48,603
Provincial	14,710	7,941	6,769
	79,062	23,690	55,372
Total	665,034	379,533	285,501

19. After extensive discussions with CSL (who previously assisted PADM Group and PADM Medical with the SRED filings), the Receiver came to an arrangement to have CSL formally respond to the CRA Denial. The arrangement as between the Receiver and CSL contemplated the following payments to CSL (the “**CSL Agreement**”):

- (a) \$10,500 (inclusive of taxes) for compiling and submitting a formal rebuttal/response to the CRA Denial; and
- (b) 50% of any increase from the above noted CRA assessed balances of \$355,843 (PADM Group) and \$23,690 (PADM Medical).

20. On January 20, 2025, CSL submitted a response to the CRA Denial. Various meetings and communications occurred during the period of January to late May 2025 between CRA, CSL, and former PADM Group and PADM Medical staff with intricate knowledge of the SRED Claims.

21. On May 28, 2025, CRA provided correspondence (the “**CRA Amendment Correspondence**”) to the Receiver, amending the previously assessed refundable tax credits as below:

	As Filed	Tax Credits		CRA Change
		CRA Assessed 18-Nov-24	CRA Amended 28-May-25	
PADM Group Inc.				
Federal	399,266	241,650	246,322	4,672
Provincial	186,706	114,193	116,548	2,355
	585,972	355,843	362,870	7,027
PADM Medical Inc.				
Federal	64,352	15,749	103,501	87,752
Provincial	14,710	7,941	54,096	46,155
	79,062	23,690	157,597	133,907
Total	665,034	379,533	520,467	140,934

22. On June 25, 2025, CRA issued payment to the Receiver in the amount of \$142,993 on account of PADM Medical, and on September 23, 2025, CRA issued payment to the Receiver in the amount of \$335,727 on account of PADM Group (collectively the “**SRED Refunds**”). The SRED Refunds received differ from the amounts detailed in the table above as (i) only 50% of the provincial tax credits are refundable, and (ii) other interest and non-SRED adjustments were made by CRA.
23. In accordance with the CSL Agreement, payments were made to CSL in the amounts of \$4,125 (plus GST) on account of PADM Group, and \$55,415 (plus GST) on account of PADM Medical as detailed in the table below:

Notes	As Filed	CRA Assessed	Expected Refund	Tax Credits		CRA Change	Actual Refund	Actual Refund	Change in Refund	CSL Fees (50%)
				18-Nov-24	28-May-25					
PADM Group Inc.										
Federal	399,266	241,650	241,650	246,322	4,672	246,322	4,672	2,336		
Provincial (1)	186,706	114,193	57,097	116,548	2,355	60,674	3,578	1,789		
	585,972	355,843	298,747	362,870	7,027	306,996	8,250	4,125		
PADM Medical Inc.										
Federal	64,352	15,749	15,749	103,501	87,752	103,501	87,752	43,876		
Provincial (1)	14,710	7,941	3,971	54,096	46,155	27,048	23,078	11,539		
	79,062	23,690	19,720	157,597	133,907	130,549	110,830	55,415		
Non-SRED Adjustments						12,444	28,731			
Total (2)	665,034	379,533	318,466	520,467	140,934	142,993	335,727	119,079	59,540	

Notes:

(1) Provincial tax credits claimed are only 50% refundable.

(2) CSL fees were calculated based on the change in the Expected Refund and the Actual Refund received (plus GST).

24. As noted above, the SRED Refunds were on account of the SRED Claims for PADM Group and PADM Medical for the fiscal year ended March 31, 2023. SRED refunds were not expected for any preceding taxation year for either PADM Group or PADM Medical, nor was any SRED refund expected for PADM Medical for the fiscal year ended March 31, 2024.
25. The SRED claim for PADM Group for the fiscal year ended March 31, 2024 was included in the Pre-Pack Transaction with 15988977 Canada Inc. previously approved by the Court. All SRED claims for Roswell for the fiscal years ended March 31, 2022, 2023, and 2024 were included in the Pre-Pak Transaction as well, and accordingly, the Receiver is not pursuing any further SRED claims.

SECURITY REVIEW AND PROPOSED DISTRIBUTION

26. As detailed in the Pre-Filing Report, given the voluntary bankruptcy assignment by

Roswell on May 10, 2024, prior to the Date of Receivership, BDO obtained an independent security opinion (the “**Gowling Opinion**”) from Gowling WLG (“**Gowling**”), its Alberta based legal counsel, opining that, subject to the customary assumptions and qualifications, the RBC Security in respect of Roswell is valid and enforceable, and subject to a priority agreement between RBC and BDC, ranks in a second priority position to the general security agreement granted by Roswell to BDC.

27. Based on the Gowling Opinion and certain priority agreements appended to the Wang Affidavit, the below table summarizes the Alberta Personal Property Registrations (the “**APPR**”) in respect of Roswell’s Alberta based operations (collectively, the “**Roswell Registrations**”):

**Roswell Downhole Technologies Inc.
Alberta Registrations**

Secured Party	Registration Date	Description	Comments	Rank for Distribution
Valiant Financial Services	30-Dec-19	FN422876 - 2011 CAT EPC5000-80VS - Motor Vehicle	Receiver redeemed security by payment to Valiant on or about August 26, 2024 (\$1,646.46).	-
Business Development Bank of Canada	23-Dec-21	HH1HFP06CB0000072 - 2012 Hyundai Lift Truck 18BR-7 - Motor Vehicle All present and after acquired personal property	January 24, 2023 subordination agreement as between RBC and BDC, granting RBC a priority interest in accounts receivable and inventory.	1 - Equipment 2 - A/R and Inventory
CWB National Leasing Inc.	13-Jun-22	Pallet racking	Receiver released any interest in the pallet racking to CWB National Leasing Inc. on November 20, 2024.	-
Royal Bank of Canada	20-Jan-23	All present and after acquired personal property	January 24, 2023 subordination agreement as between RBC and BDC, granting RBC a priority interest in accounts receivable and inventory.	1 - A/R and Inventory 2 - Equipment

28. Subject to the Deemed Trust Priorities (as defined below), the priority ranking of distributions from the realization of Roswell’s assets are as follows:
- (a) First to BDC in respect of its serialized goods registration over the 2012 Hyundai Lift Truck 18BR-7 (the “**Forklift**”);
 - (b) First to RBC in respect of realizations from accounts receivable and inventory (collectively, the “**Current Assets**”); and
 - (c) First to BDC in respect of realizations from all non-Current Assets, and second to BDC in respect of all realizations from Current Assets.
29. The Receiver notes that the Forklift had an estimated realizable value of approximately \$6,000, based on correspondence with an auctioneer and independent market research of

similar aged equipment. As the Forklift was part of the previously approved TCL Asset Group Inc. transaction (the “**TCL Transaction**”), and the value of Forklift was not readily identifiable from the aggregate purchase price, the Receiver has ascribed the value of \$6,000 in favour of BDC in the Distribution Schedule.

30. As detailed in the First Report, on September 17, 2024, the Receiver received a draft independent security opinion from Taylor McCaffrey LLP (“**Taylor McCaffrey**”), opining that, subject to the customary assumptions and qualifications, the RBC Security in respect of PADM Group and PADM Medical is valid and enforceable and has priority to a trustee in bankruptcy of the Companies. On November 17, 2025, the Receiver obtained the final independent enforceability and registration security opinion from Taylor McCaffrey (the “**Taylor McCaffrey Opinion**”) in respect of the RBC Security, the BDC Security, and the security of, among others, Coast Capital Equipment Leasing (“**CCEL**”), Travelers Leasing Ltd. (“**Travelers**”), Orthopaedic Innovation Centre Inc., CWB National Leasing Inc., (“**CWB**”), and Global Liquidity Services, LLC/ESFC Funding Co., LLC (“**GLS**”).
31. Based on the Taylor McCaffrey Opinion and certain priority agreements appended to the Wang Affidavit, the below tables summarize the Manitoba Personal Property Registry (the “**MPPR**”) registrations in respect of PADM Medical’s (the “**PADM Medical Registrations**”) and PADM Group’s (the “**PADM Group Registrations**”) Manitoba based operations:

PADM Medical

PADM Medical Inc. Manitoba Registrations

Secured Party	Registration Date	Description	Comments	Rank for Distribution
Business Development Bank of Canada	30-May-22	All present and after acquired personal property HH1HFP06CB0000072 Motor Vehicle - 2012 Hyundai Lift Truck 18BR-7	January 24, 2023 subordination agreement as between RBC and BDC, granting RBC a priority interest in accounts receivable and inventory.	1 - Equipment 2 - A/R and Inventory
CWB National Leasing Inc.	08-Jun-22	Purchase Money Security Interest Various office furniture including desks, seating, boardroom furniture, Samsung wall televisions, kitchen appliances, rubber carts & shelving, pallet racking, beams, hot tunnel, bubble pak machine, feeder bin, CVC pill counter & conveyer, Servolift WPX45 power jack, 40' x 12' Cage w Gate	Registration was against "Precision ADM Medical Inc." (a predecessor entity) and was updated to "PADM Medical Inc." on October 11, 2024. Note: On October 8, 2024 (prior to the registration change), the Receiver advised CWB National Leasing Inc. ("CWB") that CWB's security interests were subordinate to the interests of other secured creditors pursuant to s. 51(2) of <i>The Personal Property Security Act</i> of Manitoba given: (1) The registrations were in the name of Precision ADM Inc. and/or Precision ADM Medical Inc., which names changed to PADM Group Inc. (on February 17, 2023) and PADM Medical Inc. (on April 6, 2023); (2) Notice of the name changes were provided, at the latest, upon CWB being served with the May 15, 2023 Affidavit of Alex Wang (at paragraphs 2 and 3) and the May 22, 2024 Pre-Filing Report of the Proposed Receiver (at paragraph 22); and (3) CWB failed to update their PPSA registration to the name of PADM Group Inc. and/or PADM Medical Inc. within 15-days of being provided with knowledge of the name change.	1 - Specific Equipment
Royal Bank of Canada	20-Jan-23	All present and after acquired personal property	January 24, 2023 subordination agreement as between RBC and BDC, granting RBC a priority interest in accounts receivable and inventory.	1 - A/R and Inventory 2 - Equipment

32. Subject to the Deemed Trust Priorities noted below, the priority ranking of distributions from the realization of PADM Medical's assets are as follows:
- (a) First to RBC in respect of realizations from Current Assets;
 - (b) First to CWB under its claimed PMSI (the "**CWB Interest**") in respect of various office furniture and specific equipment under the June 8, 2022 MPPR registration (the "**2022 CWB PMSI Registration**"); and
 - (c) First to BDC in respect of realizations from all non-Current Assets, subject only to the CWB Interest, and second to BDC in respect of all realizations from Current Assets.

PADM Group

PADM Group Inc. Manitoba Registrations

Secured Party	Registration Date	Description	Comments	Rank for Distribution
Royal Bank of Canada	21-Oct-16	All present and after acquired personal property 3D Printer - EOS - M209 - SI2053 3D Printer - EOS - M209 - SI2054		1 - Specific Equipment 1 - All Assets
Coast Capital Equipment Leasing Ltd.	18-Nov-16	Used 2015 Matsuura 5 Axis Vertical Machining Center Model MX-520 S/N 19950 C/W Fanuc G-Tech 31I CNC Controller Used 2016 Matsuura CNC Vertical Machining Center Model VX-1000S/N 2000278 C/W Fanuc Series 31IB Control		1 - Specific Equipment
Orthopaedic Innovation Centre Inc.	13-Mar-18	Purchase Money Security Interest All of present and after acquired personal property	August 31, 2020 postponement agreement as between RBC and Orthopedic Innovation Centre Inc., granting RBC a priority security interest.	2- All Assets
Travelers Leasing Ltd.	12-May-20	New 2019 Matsuura MX330 PC-10 with Fanuc G-Tech 31I CNC Controller 5 Axis Vertical Machining Center S/N 21716		1 - Specific Equipment
Business Development Bank of Canada	30-May-22	All of present and after acquired personal property HH1HFP06CB0000072 Motor Vehicle 2012 Hyundai Lift Truck 18BR-7		1 - Specific Equipment 3 - All Assets
CWB National Leasing Inc.	08-Jun-22	Purchase Money Security Interest Various office furniture including desks, seating, boardroom furniture, Samsung wall televisions, kitchen appliances, rubber carts & shelving, pallet racking, beams, hot tunnel, bubble pak machine, feeder bin, CVC pill counter & conveyer, Servolift WPX45 power jack, 40' x 12' Cage w Gate	Registration was against "Precision ADM Inc." (a predecessor entity) and was updated to "PADM Group Inc." on October 11, 2024. Note: On October 8, 2024 (prior to the registration change), the Receiver advised CWB National Leasing Inc. ("CWB") that CWB's security interests were subordinate to the interests of other secured creditors pursuant to s. 51(2) of <i>The Personal Property Security Act</i> of Manitoba given: (1) The registrations were in the name of Precision ADM Inc. and/or Precision ADM Medical Inc., which names changed to PADM Group Inc. (on February 17, 2023) and PADM Medical Inc. (on April 6, 2023); (2) Notice of the name changes were provided, at the latest, upon CWB being served with the May 15, 2023 Affidavit of Alex Wang (at paragraphs 2 and 3) and the May 22, 2024 Pre-Filing Report of the Proposed Receiver (at paragraph 22); and (3) CWB failed to update their PPSA registration to the name of PADM Group Inc. and/or PADM Medical Inc. within 15-days of being provided with knowledge of the name change.	1 - Specific Equipment
Global Liquidity Services LLC and ESFC Funding Co., LLC	05-Dec-22	All of present and after acquired personal property	October 27, 2022 priority agreement between Global Liquidity Services LLC ("GLS") and RBC, granting GLS priority to any SR&ED refunds related to the 2021 fiscal year.	1 - 2021 SR&ED Refunds 4 - All Assets
CWB National Leasing Inc.	10-Apr-23	Purchase Money Security Interest All Computer Software - User Locked License (24 Months) c/w related components of every nature or kind	Registration was against "Precision ADM Inc." (a predecessor entity) and was updated to "PADM Group Inc." on October 11, 2024. See comments above for CWB National Leasing Inc. ("CWB"). As Precision ADM Inc. changed to PADM Group Inc. on February 17, 2023, and the CWB registration was made on April 10, 2023 (subsequent to the name change), the initial CWB registration was not properly perfected and/or cured within the necessary time periods as per <i>The Personal Property Security Act</i> (Manitoba).	-

33. Subject to the Deemed Trust Priorities noted below, the priority ranking of distributions from the realization of PADM Group’s assets are as follows:
- (a) First to CCEL and Travelers in respect of their claimed interests in specific equipment, and to CWB in respect of the CWB Interest under the 2022 CWB PMSI Registration; and
 - (b) First to RBC in respect of all other asset realizations.
34. The Receiver also notes the following:
- (a) although the MPPR registrations by RBC, CCEL, and Travelers claim or reference an interest in serialized goods, the collateral (i.e. 3D printers) in which such interests are claimed does not appear to be “serial numbered goods” within the meaning of *The Personal Property Security Act* (Manitoba) (the “**MB PPSA**”), and accordingly, no priority as serialized goods is given thereto; and
 - (b) although the MPPR registrations by CCEL and Travelers do not specifically claim a PSMI, the Receiver believes the security held by CCEL and Travelers have the characteristics of a PMSI and, accordingly, the Receiver is not challenging the security of CCEL and Travelers for distribution purposes.
35. As detailed in the table above, CWB has claimed a PMSI in two (2) separate MPPR registrations:
- (a) the 2022 CWB PMSI Registration; and
 - (b) an April 10, 2023 registration in respect of certain computer software (the “**2023 CWB PMSI Registration**”).
36. The 2022 CWB PMSI Registration was registered against “Precision ADM Inc.”, as PADM Group was then named, within fifteen (15) days of the date of the agreement referenced in the 2022 CWB PMSI Registration (which is an equipment lease for a term of more than one (1) year). PADM Group’s name was changed from “Precision ADM Inc.” to “PADM Group Inc.” on February 17, 2023 (the “**PADM Group Name Change Date**”). Although CWB would have had notice of the name change as a consequence of

the receivership proceedings on or about May 2024, CWB did not amend the 2022 CWB PMSI Registration to reflect the name change until October 11, 2024 (well after fifteen (15) days had passed from becoming aware of the name change). However, as no intervening MPPR registrations in respect of the collateral described in the 2022 CWB PMSI Registration occurred during the intervening period to subordinate the CWB Interest under the 2022 CWB PMSI Registration in accordance with the provisions of the MB PPSA, the Receiver is not challenging the CWB Interest under the 2022 CWB PMSI Registration for distribution purposes as the registration was properly updated on October 11, 2024.

37. The 2023 CWB PMSI Registration was registered against “Precision ADM Inc.” within fifteen (15) days of the date of the agreement referenced in the 2023 CWB PMSI Registration, but such registration was made subsequent to the PADM Group Name Change Date. Although CWB amended the 2023 CWB PMSI Registration on October 11, 2024, the 2023 CWB PMSI Registration was not properly registered in PADM Group’s proper name or amended to cure the defect in such registration within the prescribed time periods for a PMSI under the MB PPSA. As the 2023 CWB PMSI Registration was never properly perfected as a PMSI, no distribution is being proposed in respect of the interest underlying the same.
38. Although GLS has asserted a priority to certain SRED refunds owing to PADM Group for the 2021 fiscal year (the “**GLS SRED Priority**”), as the Receiver did not receive any SRED refunds in respect of PADM Group for 2021, there are no funds available to satisfy the GLS SRED Priority, and the Receiver is not proposing any distribution to GLS.
39. On August 14, 2024, CRA provided correspondence to the Receiver on account of its trust examination in respect of goods and services tax (“**GST**”) owing by the Companies, with CRA’s only deemed trust claim being on account \$651.31 owing from PADM Group. However, CRA offset the GST deemed trust against the SRED Refunds resulting in no balance owing.
40. On September 19, 2024, CRA provided correspondence to the Receiver on account of its trust examination in respect of unremitted payroll source deductions owing by the

Companies, with CRA advising that no deemed trust claim was being asserted.

41. On September 26, 2024, the Manitoba Minister of Finance (“**MB Finance**”) filed an unsecured proof of claim with the Receiver on account of \$4,282 owing by PADM Group for unpaid retail sales tax (“**RST**”), inclusive of interest and penalties. On October 9, 2024, MB Finance filed a further unsecured claim on account of \$29,108 owing by PADM Medical for unpaid RST, inclusive of interest and penalties. As both claims were filed as unsecured, the Receiver is not proposing any distribution to MB Finance.
42. As detailed in the First Report, commencing the week of July 8, 2024, the Receiver sent the WEPP prescribed information to fifty-five (55) former employees of the Companies with unpaid wages, pension, and vacation pay owing as at the Date of Receivership. Based on Service Canada notices dated on October 22, 2025, the priority claim of the Government of Canada in accordance with section 81.3(1) and 81.4(1) of the BIA for the Companies is summarized below:

Company	As Filed by the Trustee with Service Canada						As Filed by Employees and Paid by Service Canada						
	Count	Wages / Pension		Vacation	Severance	Total	Max Service Canada Priority	Count	Wages / Pension		Vacation	Severance	Total
PADM Group	22	19,871	34,921	95,487	150,279	29,133	21	19,176	34,921	57,261	111,359	28,438	
PADM Medical	10	6,549	4,380	11,231	22,160	8,572	6	3,228	4,380	9,466	17,074	5,251	
Roswell	23	9,226	18,567	28,828	56,621	19,786	15	7,159	9,680	26,734	43,572	14,581	
Total	55	35,646	57,869	135,545	229,060	57,491	42	29,562	48,981	93,462	172,005	48,270	

43. Although the priority claim of the Government of Canada is \$48,269.73 as at October 22, 2025, thirteen (13) former employees, with an aggregate maximum Service Canada priority of \$9,221.58, have not completed their respective WEPP Filing. Accordingly, the Receiver is of the view that the priority claim of the Government of Canada is \$57,491.31 (i.e. \$48,269.73 plus \$9,221.58) (the “**WEPP Priority**”), and is recommending the payment of same.
44. As detailed in the First Report, on August 30, 2024, Industrial Alliance Insurance and Financial Services Inc. (“**IAIFS**”), the administrator of the Industrial Alliance Simplified Money Purchase Pension Plan (the “**Pension Plan**”) for PADM Group and PADM Medical, filed a proof claim with the Receiver claiming a priority prescribed pension plan interest under section 81.6(1) of the BIA in the amount of \$66,249, as detailed below:

Entity	Unremitted Withheld Employee Contributions	Unremitted Employer Contributions	Interest	Total
PADM Group	26,171	26,171	539	52,882
PADM Medical	6,615	6,615	136	13,367
Total	32,787	32,787	676	66,249

45. After being apprised that a portion of the “Unremitted Withheld Employee Contributions” were included in the WEPP Filing, on December 12, 2024, IAIFS filed an amended priority Pension Plan claim in the amount of \$39,829 (the “**Pension Priority**”), as detailed below:

Entity	Unremitted Withheld Employee Contributions	Unremitted Employer Contributions	Interest	Total
PADM Group	6,300	26,171	539	52,882
PADM Medical	66	6,615	136	13,367
Total	6,367	32,787	676	39,829

46. Based on the above, and as detailed in distribution schedule (the “**Distribution Schedule**”) attached hereto as **Appendix D** (Schedule 2 and 3), the Receiver is proposing the following distributions, the aggregate of which total \$1,453,161.53 (the “**Priority Distributions**”):

Deemed Trust Priorities (collectively, the “**Deemed Trust Priorities**”)

- (a) WEPP Priority - \$57,491.31;
- (b) Pension Priority - \$39,828.98;

Secured Creditors

- (c) Travelers on account of its interest in specific equipment - \$214,214.21;
- (d) CCEL on account of its interest in specific equipment - \$17,968.45;
- (e) CWB on account of the 2022 CWB PMSI Registration - \$75,183.87
- (f) RBC on account of its interest in specific equipment and its first priority security positions - \$780,954.25;

- (g) BDC on account of its serialized goods registration and its first priority security positions - \$267,520.46; and
- (h) subject to any potential reserves the Receiver determines to be necessary in order to finalize the receivership proceedings and account for the Estimated Receiver Fees and the Estimated Legal Fees (as defined below) (collectively the “**Receiver’s Holdback**”), which amounts to \$100,000, the balance of the estate funds to RBC and BDC on account of their respective security interests, and in the same proportionate allocations as detailed in the Distribution Schedule, up to the value of the RBC Indebtedness and the BDC Indebtedness.

FEES AND DISBURSEMENTS OF THE RECEIVER AND ITS LEGAL COUNSEL

- 47. Pursuant to paragraph 18 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 parties of interest are RBC and BDC given that they hold a priority interest over all of the Property of the Companies. RBC and BDC have been served with this Third Report, and have been provided with all invoices of the Receiver within these proceedings.
- 48. Attached as **Appendix E** is a summary of the invoices of the Receiver for fees and disbursements incurred during the course of the proceedings for the period May 23, 2024 to September 29, 2025. The Receiver’s accounts total \$462,805 in fees and disbursements, inclusive of GST. The Receiver estimates that its fees and disbursements incurred subsequent to September 29, 2025, to finalize this Third Report, to prepare for and attend the November 25, 2025 hearing, and to finalize the Receiver’s discharge will approximate \$75,000 (plus GST) (the “**Estimated Receiver Fees**”).
- 49. 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 \$509 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.

50. 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, and the various other orders granted in these proceedings.
51. Attached as **Appendix F** is a summary of the invoices of the Receiver's legal counsel, Taylor McCaffrey, for fees and disbursements incurred during the course of the proceedings for the period May 8, 2024 to November 5, 2025. The accounts total \$243,644 in fees and disbursements inclusive of RST and GST. Taylor McCaffrey estimates that its fees and disbursements incurred subsequent to November 5, 2025, to prepare for and attend the November 25, 2025 hearing, and to assist with finalizing the Receiver's discharge will approximate \$25,000 (plus taxes) (the "**Estimated Legal Fees**").
52. The Receiver has reviewed the invoices rendered by Taylor McCaffrey and finds them reasonable and validly incurred in accordance with the provisions of the Receivership Order.
53. Attached as **Appendix G** is a summary of the invoice of the Receiver's legal counsel, Gowling, for fees and disbursements incurred during the course of the proceedings for the period May 17, 2024 to May 21, 2024. The accounts total \$3,612 in fees and disbursements inclusive of GST.
54. The Receiver has reviewed the invoice rendered by Gowling and finds it reasonable and validly incurred in accordance with the provisions of the Receivership Order.
55. Attached as **Appendix H** is a summary of the invoice of the Receiver's legal counsel, CSL, for fees and disbursements incurred during the course of the proceedings for the period January 17, 2025 to January 20, 2025, along with the contingency fees paid to CSL in accordance with the CSL Agreement. The accounts total \$73,016 in fees and disbursements inclusive of GST.
56. The Receiver has reviewed the invoice rendered by CSL and the terms of the CSL Agreement, and finds the fees and claimed contingencies reasonable and validly incurred in accordance with the provisions of the Receivership Order.

57. Attached as **Appendix I** is a summary of the invoice of the Receiver's legal counsel, MLT Aikins LLP ("MLTA"), for fees and disbursements incurred during the course of the proceedings for assisting with filing of certain PADM Group annual corporate registry returns. The accounts total \$630 in fees and disbursements inclusive of RST and GST.
58. The Receiver has reviewed the invoice rendered by MLTA and finds it reasonable and validly incurred in accordance with the provisions of the Receivership Order.
59. Copies of the invoices of the Receiver's legal counsels, 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

60. The Receiver has prepared a Statement of Receipts and Disbursements for the period May 23, 2024 to November 17, 2025 for the Companies, a copy of which is attached hereto as **Appendix J**. Total receipts were \$3,060,810 and total disbursements were \$1,507,649 (inclusive of a \$35,000 advance made to RBC to fund the Roswell bankruptcy proceedings, which amount has been deducted from the distribution to RBC) resulting in \$1,553,161 being held in trust by the Receiver.
61. In accordance with paragraph 21 of the Receivership Order, the Receiver borrowed \$500,000 (from the amended Court authorized Borrowing Facility of \$800,000) to fund the receivership proceedings. As detailed in the Second Report, the Receiver has repaid the borrowing facility in full.

APPROVALS SOUGHT

62. The Receiver believes that, other than completing the Priority Distributions and concluding certain administrative matters, the Receiver's mandate pursuant to the Receivership Order (the "**Receiver's Mandate**") is substantially complete.
63. For the reasons outlined above, the Receiver respectfully requests that the Court provide an Order:

- (a) approving all activities, actions, and proposed courses of action of the Receiver since the Date of Receivership in relation to the discharge of its duties and the Receiver's Mandate pursuant to the Receivership Order, as such actions of the Receiver are more particularly described in the First Report, the Second Report, and this Third Report, including approving the Receiver's Statement of Receipts and Disbursements for the period May 23, 2024 to November 17, 2025;
- (b) approving the Receiver's Holdback to complete the within motion and to finalize the receivership proceedings, without the requirement of taxation or formal passing of accounts;
- (c) approving payment of the Priority Distributions after retention of the Receiver's Holdback;
- (d) approving payment of any amounts remaining from the Receiver's Holdback to RBC and BDC on account of their respective security interests, and in the same proportionate allocations as detailed in the Distribution Schedule, up to the value of the RBC Indebtedness and the BDC Indebtedness;
- (e) approving the fees and disbursements of the Receiver, Taylor McCaffrey, Gowling, CST, and MLTA incurred during the proceedings, including the Estimated Receiver Fees and the Estimated Legal Fees;
- (f) that upon payment of the Priority Distributions, along with any amounts remaining from the Receiver's Holdback to RBC and BDC, the Receiver shall be discharged as Receiver; and
- (g) that upon the Receiver filing with this Honourable Court its discharge certificate (the "**Receiver's Discharge Certificate**") confirming that the Receiver has paid the Priority Distributions and any residual amounts remaining from the Receiver's Holdback to RBC and BDC, 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
- (h) 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 20th day of November, 2025.

BDO CANADA LIMITED

In its capacity as Receiver of PADM Group Inc.,
PADM Medical Inc., and Roswell Downhole Technologies Inc.
and not in its personal capacity



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

Appendix A – Sale Approval and Vesting Order dated November 12, 2024

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.

APPROVAL AND VESTING ORDER

TAYLOR McCAFFREY LLP

Barristers and Solicitors
2200 – 201 Portage Avenue
Winnipeg, Manitoba, R3B 3L3

DAVID R.M. JACKSON

Direct Line: (204) 988-0375/Fax: (204) 953-7178

Email: djackson@tmlawyers.com

CHARLES ROY

Direct Line: (204) 988-0472/Fax: (204) 953-7231

croy@tmlawyers.com

Client File No. 32608-6

THE KING'S BENCH
Winnipeg Centre

THE HONOURABLE

)

TUESDAY, THE 12TH

MR. JUSTICE CHARTIER

)

DAY OF NOVEMBER, 2024

)

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.

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited 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 approving the sale transaction (the "**Transaction**") contemplated by an Asset Purchase Agreement (the "**Asset Purchase Agreement**") between the Receiver and SafeSource Direct, LLC ("**SSD**" or the "**Purchaser**") dated November 6, 2024 appended as Appendix B to the Confidential Supplement to the Second Report of the Receiver dated November 6, 2024 (the "**Confidential Report**") and referenced in the Second Report of the Receiver dated November 6, 2024 (the "**Second Report**"), and vesting in the Purchaser of all the Debtors' right, title, and interest in and to the assets described in the Asset Purchase Agreement (the "**Purchased Assets**"), was heard this day at Winnipeg, Manitoba.

ON READING the Second Report and the Confidential Report, and on hearing the submissions of counsel for the Receiver, the Applicant, the Purchaser, counsel for the creditor Orthopaedic Innovation Centre Inc., no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Michelle Loftus affirmed November 7, 2024, the Affidavit of Service of Laura Leigh Buley affirmed November 7, 2024, the

Affidavit of Service of Nalynn Mondor affirmed November 8, 2024 and the Affidavit of Nalynn Mondor affirmed November 8, 2024, as 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.

SEALING ORDER

2. THIS COURT ORDERS AND DECLARES that the Confidential Supplement to the Second Report containing the signed Asset Purchase Agreement be sealed, kept confidential, and not form part of the public record, and shall remain stored electronically with this Court on an encrypted basis limiting access to only the Registrar of this Honourable Court and the presiding Judge, except:

- a) by further Order of this Court;
- b) upon the completion of the receivership proceedings;

whichever shall first occur, whereupon the Confidential Supplement to the Second Report shall form part of the public record and shall no longer be sealed.

SALE APPROVAL AND VESTING

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title, and interest in and to the Purchased Assets described

in the Asset Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice G.L. Chartier dated May 23, 2024 (the "**Receivership Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act* (Manitoba) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

PRIORITIES

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the Net Sale Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any licensed insolvency trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct or action other than in good faith pursuant to any applicable federal or provincial legislation.

MISCELLANEOUS MATTERS

8. THIS COURT ORDERS that the activities and actions of the Receiver described in the Second Report and the Confidential Supplement to the Second Report with respect to the proposed Transaction are hereby approved.

9. 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.

10. 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 , 2024

G.L.
Chartier

Digitally signed by
G.L. Chartier
Date: 2024.11.18
11:47:48 -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

Paul R. Booth on behalf of the Purchaser, SafeSource Direct, LLC

The creditor, Orthopaedic Innovation Centre Inc., as represented by J.J. Burnell at MLT Aikins 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
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.

RECEIVER’S 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 as the receiver (the "**Receiver**") of the undertaking, property and assets of the Respondents (the "**Debtors**").

B. Pursuant to an Order of the Court dated November 12, 2024, the Court approved the Asset Purchase Agreement (the "**Asset Purchase Agreement**") between the Receiver and SafeSource Direct, LLC (the "**Purchaser**") dated November 6, 2024 and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets pursuant to the Asset Purchase Agreement;
2. The conditions to Closing the Asset Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. 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:

Appendix B – Diamond Bar C Syndicate Ltd. Letter of Intent dated September 17, 2024

Letter of Intent to Purchase

Date: September 17, 2024

Purchaser:

Diamond Bar C Syndicate Ltd. and W.J.L. Holdings Ltd. (together, the "**Purchaser**")

Seller:

BDO Canada Limited, in its capacity as court-appointed receiver of **PADM GROUP INC.**, **PADM MEDICAL INC.**, and **ROSWELL DOWNHOLE TECHNOLOGIES INC.** and not in its personal capacity. (the "**Seller**")

Business Assets:

All of the Seller's interest in substantially all of the remaining assets of PADM Medical Inc. and Roswell Downhole Technologies Inc. as detailed in the Seller's Sales and Information Package dated July 29, 2024, including intellectual property, licenses, machinery, equipment, inventory, promotional materials, and other personal property related to business operations (together, the "**Business Assets**"). Any claim against the Seller shall be limited to and only enforceable against the property and assets then held by or available to it in its said capacity as receiver of the assets, undertakings and properties of PADM Group Inc., PADM Medical Inc. and Roswell Downhole Technologies Inc. and shall not apply to its personal property and assets held by it in any other capacity. The term "**Seller**" as used in this LOI shall have no inference or reference to the present registered owner of the Business Assets.

This Letter of Intent (the "**LOI**") outlines the terms under which the Purchaser is willing to acquire the Seller's interest in the Business Assets on an "as-is, where-is" basis and in their condition and location on Closing, subject to the execution of a mutually acceptable Asset Purchase Agreement (the "**APA**").

Non-Refundable Deposit:

The Purchaser shall provide a non-refundable deposit of CAD\$100,000 immediately upon the execution of this LOI. This amount will be credited towards the final Purchase Price at Closing or forfeited if the Purchaser withdraws for any reason, provided that if the Seller does not accept the Purchase Price for the Business Assets proposed by the Purchaser following its due diligence investigations, the Seller shall reimburse the deposit to the Purchaser.

Purchase Price:

The Purchase Price for the Business Assets will range from CAD\$550,000 to CAD\$1,100,000, exclusive of taxes, payable in full at Closing together with all applicable taxes thereon. The exact Purchase Price will be determined prior to the expiration of the 15-day due diligence period.

Offer Validity:

This LOI expires at 5:30 pm Central Time, on Tuesday, September 17, 2024 if not accepted by the Seller on or before such date and time.

Exclusivity:

For a period of 15-days following the execution of this LOI by the parties (the "**Exclusivity Period**"), the Seller agrees not to negotiate with other third parties regarding the sale of the Business Assets, without the Purchaser's prior written consent.

Due Diligence Period:

The Purchaser will have 15-days from the execution of this LOI to conduct due diligence investigations on the Business Assets, including reviewing financial records, inventory, contracts, environmental reports and other relevant data as the Purchaser deems reasonable. The Seller will provide all information reasonably necessary to facilitate this process. The Purchaser will not request any governmental authority to inspect any of the Business Assets. All inspection costs shall be the sole responsibility of Purchaser. The Purchaser confirms that it will rely solely on its own due diligence investigations, title searches and other searches, inspections and investigations in purchasing the Business Assets, as the Purchaser deems reasonable for a transaction of this nature. Any documents, materials, or information provided by or on behalf of the Seller whether before or after the date of this LOI, have been or will be provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Seller has not made, and is not making, any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy or completeness of such documents, materials and information. The Seller shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

Move-Out Period:

After Closing, the Purchaser assumes all risks and responsibilities for the Business Assets. The Purchaser agrees to vacate the assets from the Winnipeg premises and the Waterloo premises on or before October 15, 2024, and from the Calgary premises on or before November 30, 2024, unless the Purchaser is able to make arrangements with the respective landlords of such premises for continued occupancy thereafter.

Liabilities:

On Closing, the Business Assets will vest free and clear of all encumbrances to the Purchaser.

Closing Conditions:

Closing of the transaction contemplated by this LOI (the "**Closing**") is subject to the below, unless otherwise agreed to by the Purchaser and the Seller, acting reasonably:

- Completion of due diligence investigations by the Purchaser;
- Negotiation and execution of the APA between the Purchaser and the Seller;
- Court approval; and
- Full payment of the Purchase Price and applicable taxes thereon.

APA:

The APA will contain customary terms and conditions for the sale and purchase of assets in Manitoba by a court-appointed receiver. For greater certainty, the APA will: (a) not contain any representations or warranties (whether expressed, implied, under statute or otherwise) with respect to the Business Assets; (b) provide that the Purchaser will take possession of the Business Assets in their condition and at their location at Closing at the Purchaser's sole cost and expense.

Court Approval:

The sale and purchase of the Business Assets will be conditional upon the Seller obtaining from the Court of King's Bench of Manitoba (the "**Court**") an approval and vesting order in a form acceptable to the Seller.

Closing Date:

On or before September 30, 2024, or within ten (10) calendar days of Court approval of the definitive APA, whichever is later, unless mutually extended by the parties in writing.

Expenses:

Each party hereto shall bear its own costs and expenses incurred by it in connection with this LOI and the negotiation and documentation of the transaction contemplated hereby including, unless otherwise expressly agreed to in writing by both parties. The Purchaser shall immediately and at its sole cost and expense repair any damage to the Business Assets caused in connection with its due diligence investigations.

Governing Law:

This LOI and any subsequent agreements are governed by the laws of the Province of Manitoba and the laws of Canada applicable therein. Both parties attorn to the exclusive jurisdiction of the Courts of Manitoba in respect of any disputes arising from this LOI.

Confidentiality:

The parties shall keep strictly confidential all non-public information furnished by either party to the other together with analyses, compilations, forecasts, studies or other documents prepared by the receiving party, its representatives (including attorneys, accountants, and financial advisors) or employees which contain or otherwise reflect such information or the receiving party's review of, or interest in, the other.

Binding Effect:

The parties acknowledge and agree that this Letter is not intended to constitute a legal or binding obligation or agreement between the parties, except for the provisions under the captions titled "Non-Refundable Deposit", "Expenses", "Governing Law", "Confidentiality", "Termination" and "Counterparts", which shall be binding obligations (together, the "**Binding Sections**").

Termination:

This LOI may be terminated by: (a) either party at any time following the expiry of the Exclusivity Period upon written notice to the other party; (b) mutual written agreement of the parties; or (c) either party if the other party commits a material breach of the terms hereof. Upon termination, this LOI shall be of no further force and effect, except for the Binding Sections which shall survive termination.

Counterparts:

This LOI may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the parties agree to adopt any signatures received by electronic means (email or fax) as original signatures of the parties.

[Rest of Page Intentionally Left Blank; Signature Page Follows]

Signatures:

W.J.L. Holdings Ltd.

Per: _____
Wade Larson, Authorized Signatory

Date: September 17, 2024

Diamond Bar C Syndicate Ltd.

Per: _____
Chad Ford, Authorized Signatory

Date: September 17, 2024

BDO Canada Limited, in its capacity as court-appointed receiver of **PADM GROUP INC.**, **PADM MEDICAL INC.**, and **ROSWELL DOWNHOLE TECHNOLOGIES INC.** and not in its personal capacity

Per:  CPA, CA, CIRP, LIT
Authorized Signatory

Date: September 17, 2024

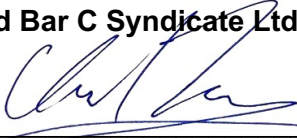
Signatures:

W.J.L. Holdings Ltd.

Per: 
Wade Larson, Authorized Signatory

Date: September 17, 2024

Diamond Bar C Syndicate Ltd.

Per: 
Chad Ford, Authorized Signatory

Date: September 17, 2024

BDO Canada Limited, in its capacity as court-appointed receiver of **PADM GROUP INC.**, **PADM MEDICAL INC.**, and **ROSWELL DOWNHOLE TECHNOLOGIES INC.** and not in its personal capacity

Per: _____
Authorized Signatory

Date: _____

Appendix C – Diamond Bar C Syndicate Ltd. Email Correspondence

Warga, Brent

From: Chad Ford <chad@diamondbarc.com>
Sent: October 3, 2024 4:20 PM
To: Warga, Brent
Cc: Fritz, John; Wadejlarrison@gmail.com
Subject: RE: [EXT] Cancellation of Transaction and Request for Deposit Refund

Hi Brent,

We appreciate the Receiver's position, but we ask that they also consider things from our side. When we initially evaluated the Calgary location, the clean room that was shown in pictures would have allowed us to ramp up operations quickly. However, upon further review, that clean room was no longer present, and the facility was filled with other equipment, altering the value and functionality we had anticipated.

Additionally, one of our key interests was the lawsuit, which was included in the original asset list provided to us. This was a significant factor in how we structured our offer and deposit. Later, we were informed that this was no longer the case, leading to a substantial shift in our evaluation of the assets.

We took a risk based on the data we were given, trying everything we could to make this deal work. We were literally making phone calls until the last moment in an effort to find a path forward. However, without the backdrop of the lawsuit and the Calgary facility not being what we thought, the deal could not proceed as envisioned.

I am happy to discuss these points further on a call if it helps clarify our perspective. Given these developments, we feel there should be some recognition of the challenges and discrepancies we faced throughout this process.

Chad and Wade

From: Warga, Brent <bwarga@bdo.ca>
Sent: October 3, 2024 10:27 AM
To: Chad Ford <chad@diamondbarc.com>
Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarrison@gmail.com
Subject: RE: [EXT] Cancellation of Transaction and Request for Deposit Refund

Chad,

Unfortunately we appear to be at an impasse. The Receiver's position is that it is retaining the non-refundable deposit in accordance with the terms of the LOI, as the non-refundable deposit has been forfeited for the reasons previously articulated.

The Receiver will seek the advice and direction of the Court at a future hearing to have this matter determined.

Regards,

Brent Warga, CPA, CA, CIRP, LIT, CFE
Senior Vice President, Business Restructuring & Turnaround Services
Financial Advisory Services
Direct: 204 220 3666
bwarga@bdo.ca
[BDO Canada LLP](#)

201 Portage Avenue, 26th Floor
Winnipeg MB R3B 3K6
Tel: 204 956 7200
Fax: 1 833 888 1678

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Personal Debt Solutions

From: Chad Ford <chad@diamondbarc.com>

Sent: October 2, 2024 6:48 PM

To: Warga, Brent <bwarga@bdo.ca>

Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarson@gmail.com

Subject: Re: [EXT] Cancellation of Transaction and Request for Deposit Refund

Hi Brent,

As noted, the decision to withdraw from the transaction was based on diligence findings and the assumption that the Seller would not accept the Purchase Price of \$50,000.

In my follow-up, I made it clear in writing that the Purchase Price of \$50,000 was outside the range contemplated in the LOI, and I fully expected that it would be rejected by the Sellers. While the LOI is not explicit on the range of the Purchase Price that triggers the refundability of the deposit, it is clear that if the Seller rejects the Purchase Price, the deposit must be refunded.

Given this, the Receiver should not take the position that the deposit is forfeited.

Chad

From: Warga, Brent <bwarga@bdo.ca>

Sent: Wednesday, October 2, 2024 18:39

To: Chad Ford <chad@diamondbarc.com>

Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarson@gmail.com <wadejlarson@gmail.com>

Subject: RE: [EXT] Cancellation of Transaction and Request for Deposit Refund

Chad,

In your initial correspondence below (sent at 9:33AM CT), you purported to terminate the LOI and not move forward with a transaction as a result of your due diligence. Your withdrawal was clearly not based on the Seller not accepting the Purchase Price, and as such, the deposit was forfeit in accordance with the LOI.

In your follow up correspondence below (sent at 2:59PM CT), you subsequently purport to offer a purchase price of \$50,000, which is well outside of the Purchase Price denoted in the LOI (between \$550,000 and \$1,100,000), as grounds for the Seller not accepting your offer. The LOI was very clear on the range in which the Purchase Price had to fall to trigger the refundability of the deposit should the Seller not accept the Purchase Price being offered. Accordingly, the Receiver remains of the view that the deposit has been forfeited.

Regards,

Brent Warga, CPA, CA, CIRP, LIT, CFE
Senior Vice President, Business Restructuring & Turnaround Services
Financial Advisory Services
Direct: 204 220 3666
bwarga@bdo.ca
[BDO Canada LLP](#)

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Personal Debt Solutions

From: Chad Ford <chad@diamondbarc.com>
Sent: October 2, 2024 2:59 PM
To: Warga, Brent <bwarga@bdo.ca>
Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarson@gmail.com
Subject: RE: [EXT] Cancellation of Transaction and Request for Deposit Refund

Brent,

The LOI states that the exact Purchase Price will be determined prior to the expiration of the 15-day due diligence period. The LOI was signed and dated on September 17, 2024. The 15-day due diligence period expires today, October 2, 2024.

Based on our due diligence investigations and specifically the changing asset list, we are prepared to offer [\$50,000] for the Business Assets and not the range of \$550,000 to \$1,100,000 as our due diligence investigations has resulted in a much lower Purchase Price for the Business Assets.

The LOI states that if the Purchaser withdraws for any reason, provided that if **the Seller does not accept the Purchase Price for the Business Assets proposed by the Purchaser following its due diligence investigations, the Seller shall reimburse the deposit to the Purchaser.**

Therefore, either the Receiver accepts our proposed Purchase Price of [\$50,000] or we shall be reimbursed for the deposit as a result of the rejection of the Purchase Price by the Seller.

Thanks,

Chad and Wade

From: Warga, Brent <bwarga@bdo.ca>
Sent: October 2, 2024 3:03 PM
To: Chad Ford <chad@diamondbarc.com>
Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarson@gmail.com
Subject: RE: [EXT] Cancellation of Transaction and Request for Deposit Refund

Chad,

After the extensive due diligence and time invested by both the Receiver and your group over the last two (2) weeks, the below e-mail comes as a complete surprise.

Upon review with legal counsel, in accordance with the Letter of Intent to Purchase executed September 17, 2024 (attached for ease of reference), the deposit is non-refundable, and accordingly, the Receiver is not in a position to refund same.

Regards,

Brent Warga, CPA, CA, CIRP, LIT, CFE
Senior Vice President, Business Restructuring & Turnaround Services
Financial Advisory Services
Direct: 204 220 3666
bwarga@bdo.ca
[BDO Canada LLP](#)

201 Portage Avenue, 26th Floor
Winnipeg MB R3B 3K6
Tel: 204 956 7200
Fax: 1 833 888 1678

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From: Chad Ford <chad@diamondbarc.com>
Sent: October 2, 2024 9:33 AM
To: Warga, Brent <bwarga@bdo.ca>
Cc: Fritz, John <jfritz@bdo.ca>; Wadejlarson@gmail.com
Subject: [EXT] Cancellation of Transaction and Request for Deposit Refund
Importance: High

Hi Brent,

Following our confirmatory and physical due diligence investigations within the time frame specified in the non-binding LOI, we have uncovered material defects in both the products and machinery for sale as part of the receivership process. As a result of these findings from our physical and confirmatory due diligence investigations, we have significant concerns about proceeding with this transaction.

Additionally, the asset list initially provided differs materially from the updated, amended, and restated asset list that was recently provided- particularly on the IP and legal side. This discrepancy has caused a significant difference in the value originally prescribed for the transaction. As such, the terms on which we based our decision to proceed have materially changed and are now misaligned.

The deposit we provided was made as a sign of good faith to indicate our interest in moving forward with the deal. However, given the material differences and defects discovered, we do not wish to proceed with this transaction. We kindly request that the deposit be refunded at your earliest convenience via wire transfer or e-transfer.

We appreciate your understanding and look forward to receiving confirmation regarding the refund of our deposit. For your convenience I have attached our wire details.

Chad and Wade

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Appendix D – Distribution Schedule

PADM GROUP INC., PADM MEDICAL INC., AND ROSWELL DOWNHOLE TECHNOLOGIES INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period May 23, 2024 to November 17, 2025

	Notes	PADM Group Inc.	PADM Medical Inc.	Roswell Downhole Technologies Inc.	Total
Receipts					
Cash on Hand	(1)	-	-	75,293	75,293
Accounts Receivable		11,662	5,374	-	17,036
Carbon Tax Rebate		55,045	6,530	-	61,575
GST/HST Collected	(2)	-	17,670	30,213	47,883
GST Refund		17,640	9,013	138,697	165,350
Insurance Refunds		-	10,556	10,556	21,111
Interest	(3)	25,055	8,098	16,839	49,992
Recycling and Miscellaneous Receipts		2,246	-	-	2,246
Sale of Assets					
15988977 Canada Inc.		-	2,150	-	2,150
5139776 Manitoba Ltd.		-	5,500	-	5,500
5139776 Manitoba Ltd.		-	5,000	-	5,000
Diamond Bar C Syndicate Ltd. (non-refundable deposit)		-	50,000	50,000	100,000
Energinn Technology Solutions		-	-	30,706	30,706
Novo Textile Company Ltd.		-	30,000	-	30,000
Pre-Pack Transaction - 15988977 Canada Inc.		1,076,853	6,416	237,608	1,320,876
SafeSource Direct LLC		-	165,053	114,698	279,750
TCL Asset Group Inc.		-	-	235,480	235,480
TCL Asset Group Inc.		-	-	90,929	90,929
Priority Electronics Ltd.		-	27,000	-	27,000
SRED Refunds		335,727	142,993	-	478,719
WCB Refund		9,777	4,438	-	14,214
Total Receipts (To Schedule 4)		1,534,004	495,788	1,031,018	3,060,810
Disbursements					
Contractors	(4)	108,347	35,018	72,821	216,186
Equipment Rental	(5)	-	3,968	-	3,968
Filing Fees	(5)	80	80	80	241
GST Paid on Disbursements	(6)	112	2,268	5,928	8,308
GST Paid on Legal Fees and Disbursements	(4)	7,279	2,353	4,892	14,524
GST Paid on Receiver Fees and Disbursements	(4)	11,045	3,570	7,424	22,038
GST Remittances	(5)	-	8,311	17,235	25,546
Insurance	(7)	-	41,722	41,722	83,445
IT Support and Accounting Services	(4)	5,145	1,663	3,458	10,266
Legal Fees and Disbursements	(4)	145,958	47,173	98,099	291,230
Patent Renewal	(5)	-	2,199	-	2,199
PST Paid on Disbursements	(6)	13	270	706	989
PST Paid on Legal Fees and Disbursements	(4)	7,602	2,457	5,109	15,168
Receiver Fees and Disbursements	(4)	220,902	71,395	148,470	440,767
Redemption of Security	(5)	-	-	1,646	1,646
Rent	(5)	-	55,750	184,790	240,540
Repayment of Receiver's Borrowings - Interest	(4)	9,711	3,139	6,527	19,377
Site Clean Up	(5)	-	-	32,867	32,867
Utilities	(5)	-	1,046	42,295	43,341
Total Disbursements		516,195	282,382	674,071	1,472,649
Excess of Receipts over Disbursements		1,017,809	213,406	356,947	1,588,161
Advance to RBC (to fund Roswell Bankruptcy Proceedings)	(5)	-	-	35,000	35,000
Funds Available for Distribution as at November 17, 2025 (To Schedule 2)		1,017,809	213,406	321,947	1,553,161

Notes:

- (1) Primarily represents collections of accounts receivable received directly by RBC and paid to the Receiver.
- (2) GST/HST collected on the sale of assets.
- (3) Interest has been allocated based on the respective Company's receipts as a percentage (%) of total receipts (exclusive of interest).
- (4) Receivership costs have been allocated based on the respective Companies' receipts as a percentage (%) of total receipts.
- (5) Receivership costs incurred directly by the respective Company.
- (6) GST and PST have been allocated based on the respective Company's tax applicable disbursements as a % of the total tax applicable disbursements.
- (7) Costs have been allocated 50% to each Company as the premiums related to all assets (excluding PADM Group Inc.).

PADM GROUP INC., PADM MEDICAL INC., AND ROSWELL DOWNHOLE TECHNOLOGIES INC.
PROPOSED DISTRIBUTION SCHEDULE
POST ALLOCATION OF PRE-FILING PROFESSIONAL FEES
(allocated based on pre-pack receipts only)

	Notes	PADM Group Inc.	PADM Medical Inc.	Roswell Downhole Technologies Inc.	Total
Pre-Pack Receipts		1,076,853	6,416	237,608	1,320,876
%		81.5%	0.5%	18.0%	100.0%
Pre-Filing Professional Fees	(1)				
BDO Canada Limited		56,669	338	12,504	69,510
Taylor McCaffrey LLP		58,559	349	12,921	71,830
Gowling WLG		2,548	15	562	3,125
Subtotal		117,776	702	25,987	144,465
Allocation of Pre-Pack Transaction Proceeds					
Travelers Leasing Ltd.					
2019 Matsuura MX-330 SN 21716		240,520	-	-	240,520
Coast Capital Equipment Leasing					
2015 Matsuura MX-520 SN 19950 & 2016 Matsuura CNC VX-1000 SN 2000278		20,175	-	-	20,175
Royal Bank of Canada					
2015 3D Printer - EOS - M290 - SI2053		67,000	-	-	67,000
2015 3D Printer - EOS - M290 - SI2054		67,000	-	-	67,000
Business Development Bank of Canada					
2012 Hyundai Lift Truck 18BR-7 - HH1HFP06CB0000072		-	-	-	-
Canadian Western Bank					
Various pallet racking, office furniture, and warehouse equipment		54,101	-	-	54,101
Computer software		-	-	-	-
Royal Bank of Canada		628,057	-	-	628,057
Royal Bank of Canada		-	-	56,762	56,762
Business Development Bank of Canada		-	6,416	180,846	187,262
Subtotal		1,076,853	6,416	237,608	1,320,876
Proposed Sharing of Pre-Filing Professional Fees Based on Pre-Pack Transaction Proceeds					
Travelers Leasing Ltd.					
2019 Matsuura MX-330 SN 21716		26,306	-	-	26,306
Coast Capital Equipment Leasing					
2015 Matsuura MX-520 SN 19950 & 2016 Matsuura CNC VX-1000 SN 2000278		2,207	-	-	2,207
Royal Bank of Canada					
2015 3D Printer - EOS - M290 - SI2053		7,328	-	-	7,328
2015 3D Printer - EOS - M290 - SI2054		7,328	-	-	7,328
Business Development Bank of Canada					
2012 Hyundai Lift Truck 18BR-7 - HH1HFP06CB0000072		-	-	-	-
Canadian Western Bank					
Various pallet racking, office furniture, and warehouse equipment		5,917	-	-	5,917
Computer software		-	-	-	-
Royal Bank of Canada		68,691	-	-	68,691
Royal Bank of Canada		-	-	6,208	6,208
Business Development Bank of Canada		-	702	19,779	20,481
Subtotal		117,776	702	25,987	144,465
Proposed Distribution to Secured Creditors (From Schedule 2)					
Travelers Leasing Ltd.					
2019 Matsuura MX-330 SN 21716		240,520	-	-	240,520
Coast Capital Equipment Leasing					
2015 Matsuura MX-520 SN 19950 & 2016 Matsuura CNC VX-1000 SN 2000278		20,175	-	-	20,175
Royal Bank of Canada					
2015 3D Printer - EOS - M290 - SI2053		67,000	-	-	67,000
2015 3D Printer - EOS - M290 - SI2054		67,000	-	-	67,000
Business Development Bank of Canada					
2012 Hyundai Lift Truck 18BR-7 - HH1HFP06CB0000072		-	-	6,000	6,000
Canadian Western Bank					
Various pallet racking, office furniture, and warehouse equipment		54,101	27,000	-	81,101
Computer software		-	-	-	-
Royal Bank of Canada		441,337	-	-	441,337
Royal Bank of Canada		-	73,306	128,044	201,350
Business Development Bank of Canada		-	83,970	182,388	266,358
Subtotal		890,133	184,276	316,432	1,390,841

Revised Distribution to Secured Creditors

Travelers Leasing Ltd.				
2019 Matsuura MX-330 SN 21716	214,214	-	-	214,214
Coast Capital Equipment Leasing				
2015 Matsuura MX-520 SN 19950 & 2016 Matsuura CNC VX-1000 SN 2000278	17,968	-	-	17,968
Royal Bank of Canada				
2015 3D Printer - EOS - M290 - SI2053	59,672	-	-	59,672
2015 3D Printer - EOS - M290 - SI2054	59,672	-	-	59,672
Business Development Bank of Canada				
2012 Hyundai Lift Truck 18BR-7 - HH1HFP06CB0000072	-	-	6,000	6,000
Canadian Western Bank				
Various pallet racking, office furniture, and warehouse equipment	48,184	27,000	-	75,184
Computer software	-	-	-	-
Royal Bank of Canada	372,646	-	-	372,646
Royal Bank of Canada	-	73,306	121,836	195,142
Business Development Bank of Canada	-	83,269	162,609	245,878
Subtotal	772,357	183,574	290,445	1,246,376

Residual Funds to be Distributed

	117,776	702	25,987	144,465
Royal Bank of Canada	(2)	117,776	-	117,776
Royal Bank of Canada	(3)(4)	-	327	11,046
Business Development Bank of Canada	(3)(4)	-	375	15,643
Residual Proposed Distributions to Secured Creditors	117,776	702	25,987	144,465

Net Proceeds Available for Unsecured Creditors

	-	-	-	-
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Consolidated Distribution to Secured Creditors

Travelers Leasing Ltd.	214,214	-	-	214,214
Coast Capital Equipment Leasing	17,968	-	-	17,968
Canadian Western Bank	48,184	27,000	-	75,184
Royal Bank of Canada	609,766	73,633	132,555	815,954
Less Advance	-	-	(35,000)	(35,000)
Net to Royal Bank of Canada	609,766	73,633	97,555	780,954
Business Development Bank of Canada	-	83,643	183,877	267,520
Total Distributions	890,133	184,276	281,432	1,355,841

Notes:

- (1) Professional fees incurred in advance of the May 23, 2024 Court hearing, and to close the Pre-Pack Sale Transaction.
- (2) Based on a Manitoba Personal Property Registry search dated September 16, 2024, RBC has a first in time all present and after acquired property registration against PADM Group Inc.
- (3) Based on a Manitoba Personal Property Registry search dated September 16, 2024, BDC has a first in time all present and after acquired property registration against PADM Medical Inc. As detailed in the Affidavit of Alex Wang dated May 15, 2024, on January 24, 2023, RBC entered into a priority agreement with BDC by which RBC was granted a first priority security on all inventory and accounts receivable of PADM Medical Inc. and Roswell Downhole Technologies Inc.

Priority split based on total receipts (From Schedule 4):

	RBC	BDC
	47%	53%

- (4) Based on a Alberta Personal Property Registry search dated May 16, 2024, BDC has a first in time all present and after acquired property registration as against Roswell Downhole Technologies Inc. As detailed in the Affidavit of Alex Wang dated May 15, 2024, on January 24, 2023, RBC entered into a priority agreement with BDC by which RBC was granted a first priority security on all inventory and accounts receivable of Roswell Downhole Technologies Inc.

Priority split based on total receipts (From Schedule 4):

	RBC	BDC
	41%	59%

**PADM GROUP INC., PADM MEDICAL INC., AND ROSWELL DOWNHOLE TECHNOLOGIES INC.
RBC AND BDC PRIORITY ALLOCATION**

	Notes	PADM Group Inc.	PADM Medical Inc.	Roswell Downhole Technologies Inc.	Total
Receipts					
RBC Priority					
Cash on Hand		-	-	75,293	75,293
Accounts Receivable		11,662	5,374	-	17,036
Carbon Rebate		55,045	6,530	-	61,575
GST/HST Collected		-	1,500	3,008	4,508
GST Refund		17,640	9,013	138,697	165,350
Insurance Refunds		-	10,556	10,556	21,111
Interest		25,055	8,098	16,839	49,992
Recycling and Miscellaneous Receipts		2,246	-	-	2,246
Sale of Assets					
Energinn Technology Solutions (Inventory)		-	-	30,706	30,706
Novo Textile Company Ltd. (Inventory)		-	30,000	-	30,000
Pre-Pack Transaction - 15988977 Canada Inc. (Inventory & Equipment)		762,057	-	56,762	818,818
TCL Asset Group Inc. (Inventory)		-	-	90,929	90,929
SRED Refunds		335,727	142,993	-	478,719
WCB Refund		9,777	4,438	-	14,214
Subtotal		1,219,208	218,500	422,790	1,860,498
BDC Priority					
GST/HST Collected		-	16,170	27,205	43,375
Sale of Assets					
15988977 Canada Inc. (Equipment)		-	2,150	-	2,150
5139776 Manitoba Ltd. (Equipment)		-	5,500	-	5,500
5139776 Manitoba Ltd. (Equipment)		-	5,000	-	5,000
Diamond Bar C Syndicate Ltd. (non-refundable deposit) (Equipment)		-	50,000	50,000	100,000
SafeSource Direct LLC (Equipment)		-	165,053	114,698	279,750
TCL Asset Group Inc. (Equipment (excluding the 2012 Hyundai Lift Truck))		-	-	229,480	229,480
Priority Electronics Ltd. (Equipment)		-	-	-	-
Pre-Pack Transaction - 15988977 Canada Inc. (Equipment)		-	6,416	180,846	187,262
Subtotal		-	250,288	602,228	852,516
Total Receipts for RBC / BDC Allocation		1,219,208	468,788	1,025,018	2,713,014
Other Secured Creditor Priorities					
BDC Specific Security (2012 Hyundai Lift Truck)		-	-	6,000	6,000
CWB Specific Security		54,101	27,000	-	81,101
Travelers Leasing Ltd. Specific Security		240,520	-	-	240,520
Coast Capital Equipment Leasing Specific Security		20,175	-	-	20,175
Subtotal		314,796	27,000	6,000	347,796
Total Receipts as at November 17, 2025 (From Schedule 1)		1,534,004	495,788	1,031,018	3,060,810
RBC's % Interest (To Schedule 2 and Schedule 3)		100%	47%	41%	
BDC's % Interest (To Schedule 2 and Schedule 3)		0%	53%	59%	

Appendix E – Fees and Disbursements of the Receiver

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

SUMMARY OF RECEIVER FEES AND DISBURSEMENTS

Date	Invoice #	Fees	Disbursements	GST	Total	Hours
25-Apr-24	CINV2839213	\$ 15,180	\$ 1,063	\$ 812	\$ 17,055	26.4
28-May-24	CINV2898908	49,958	-	2,498	52,455	92.9
8-Jul-24	CINV2990757	59,470	-	2,974	62,444	118.5
2-Aug-24	CINV3017001	44,514	-	2,226	46,739	91.4
16-Sep-24	CINV3083946	64,330	-	3,217	67,547	124.9
31-Oct-24	CINV3134700	60,523	-	3,026	63,549	116.3
23-Dec-24	CINV3217863	61,315	77	3,070	64,461	120.0
5-Mar-25	CINV3304862	30,658	-	1,533	32,190	60.9
3-Jul-25	CINV3494427	24,305	-	1,215	25,520	51.4
2-Oct-25	CINV3622491	29,377	-	1,469	30,846	61.7
Total		\$ 439,628	\$ 1,139	\$ 22,038	\$ 462,805	864.4



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PADM Group Inc.
1595 Buffalo Pl, Unit A
Winnipeg, MB R3T 1L9

Attention: Martin Petrak, Chief Executive Offer

Date	Invoice
April 25, 2024	CINV2839213 CUS0082967

RE: PADM Group Inc. - Consulting

TO OUR FEE FOR PROFESSIONAL SERVICES for the work performed in accordance our Engagement Letter dated March 12, 2024 for the period March 13, 2024 to April 16, 2024 in the above noted matter.

Our Fee	\$	15,180.00
Administration & Technology Fee (7%)		1,062.60
Subtotal		16,242.60
GST/HST (5%) 101518124RT0001		812.13
TOTAL	\$	17,054.73

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	26.4	575.00	15,180.00
Total	26.4		\$ 15,180.00

Date	Staff	Comments	Hours
13-Mar-24	B. Warga	Call with B. Taylor; updates to cash flows; calls with J. Healey; correspondence to/from PADM.	1.6
14-Mar-24	B. Warga	Call with PADM and TDS re: strategy; call C. Belanger re: DIP and shareholder interest; call with B. Taylor re: same.	2.7
15-Mar-24	B. Warga	Call with PADM; e-mail correspondence with PADM; e-mail correspondence with B. Taylor; call with J. Healey.	0.6
18-Mar-24	B. Warga	Call with B. Taylor; call with M. Petrak; call with J. Healey.	0.6
19-Mar-24	B. Warga	Correspondence to/from PADM re: DIP and stalking horse process.	0.4
20-Mar-24	B. Warga	Call with R. Lutz (Pillar) re: DIP; call with C. Belanger re: status update.	0.6
21-Mar-24	B. Warga	Call with TDS and MLT Aikins re: stalking horse; call with D. Jackson re: conflicts; call with M. Petrak re: status update.	1.4
23-Mar-24	B. Warga	Review of correspondence from PADM re: strategy.	0.7
25-Mar-24	B. Warga	Call with C. Belanger re: file status and strategy.	0.6
26-Mar-24	B. Warga	Review of correspondence to/from TDS and PADM re: path forward; call with B. Taylor re: same.	0.5
27-Mar-24	B. Warga	Call with PADM and TDS re: strategy and path forward.	1.2
30-Mar-24	B. Warga	Call with B. Taylor; review of e-mail correspondence re: strategy sent to BDC/RBC.	0.7
1-Apr-24	B. Warga	Review of e-mail correspondence from B. Taylor re: strategy.	0.3
2-Apr-24	B. Warga	Call with B. Taylor; review of e-mail correspondence from PADM.	0.6
3-Apr-24	B. Warga	Call with PADM and TDS re: cash flows and formal process/strategy.	2.0
4-Apr-24	B. Warga	Review of revised cash flows; review of correspondence from B. Taylor.	0.4
5-Apr-24	B. Warga	Call with PADM and B. Taylor re: cash flows and strategy.	2.4
8-Apr-24	B. Warga	Review of equipment list; call with PADM and B. Taylor re: same; review of cash flows; review of various e-mail correspondence to/from PADM and TDS.	2.7
9-Apr-24	B. Warga	Call with PADM, TDS, and BDC (and counsel) re: filing; review of various e-mail correspondence re: same.	1.5
10-Apr-24	B. Warga	Review of various e-mail correspondence from TDS; review of draft APA.	1.1



Date	Staff	Comments	Hours
11-Apr-24	B. Warga	Call with PADM and B. Taylor; call with PADM, B. Taylor, and RBC; review of various e-mail correspondence.	2.1
12-Apr-24	B. Warga	Review of APA and various e-mail correspondence to/from PADM and B. Taylor.	0.7
15-Apr-24	B. Warga	Review of correspondence from PADM and B. Taylor.	0.3
16-Apr-24	B. Warga	Call with PADM and B. Taylor re: RBC/BDC/Pillar and strategy.	0.7



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Royal Bank of Canada
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Calgary, AB T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
May 28, 2024	CINV2898908 CUS0082967

RE: PADM Group Inc. - Receivership

TO OUR FEE FOR PROFESSIONAL SERVICES for the work performed in accordance with the Court Appointed Receivership proceedings for the period May 2, 2024 to May 25, 2024 in the above noted matter.

Our Fee	\$ 49,957.50
GST/HST (5%) 101518124RT0001	2,497.88
TOTAL	\$ 52,455.38

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	56.4	575.00	32,430.00
J. Parisi, Partner	1.9	575.00	1,092.50
J. Fritz, Senior Manager	34.6	475.00	16,435.00
Total	<u>92.9</u>		<u>\$ 49,957.50</u>



Date	Staff	Comments	Hours
2-May-24	B. Warga	Review of various e-mail correspondence from PADM and B. Taylor; call with B. Taylor.	0.5
3-May-24	B. Warga	Review of correspondence from PADM re: status update to RBC/BDC.	0.2
6-May-24	B. Warga	Calls with B. Taylor re: file status and landlord matters; review of e-mail correspondence.	0.6
7-May-24	B. Warga	Call with PADM re: status update; review of e-mail correspondence to RBC/BDC.	0.7
8-May-24	B. Warga	Call with PADM and B. Taylor re: options; call with D. Jackson re: same; review of cash flows.	1.5
8-May-24	J. Fritz	Call with management and counsel; cash flow review and compilation.	2.9
9-May-24	B. Warga	Call with K. Anniko (RBC); call with PADM and B. Taylor re: file matters; review of director resolution; review of various correspondence re: DHT information requests.	2.4
10-May-24	B. Warga	Calls with PADM re: process; correspondence to/from counsel to RBC re: bankruptcy/receivership proceedings; drafting of Pre-Filing Report.	1.1
13-May-24	B. Warga	Call with PADM and legal counsels to RBC and BDC re: strategy; drafting of Pre-Filing Report; calls with D. Jackson re: file matters and Court hearing; review of draft order and consent.	3.8
13-May-24	J. Fritz	Call with management, primary secured lenders, and counsel re: pending receivership application and sales processes status; correspondence with counsel.	1.2
14-May-24	B. Warga	Correspondence with PADM Group re: cash flows; correspondence with D. Jackson re: consent and draft order; updates to Pre-Filing Report.	1.8
15-May-24	B. Warga	Call with PADM; call with RBC's counsel; review of correspondence to/from PADM to RBC; review of various e-mail correspondence to/from PADM; drafting of Pre-Filing Report.	2.6
15-May-24	J. Fritz	Correspondence with management re: pre-filing matters.	1.2
16-May-24	B. Warga	Review of Wang Affidavit; updates to Pre-Filing Report; call with K. Cancilla and counsel re: offer; call with K. Anniko; call with R. Schwartz; various e-mail correspondence to/from PADM; call with PADM re: financial and asset schedules.	3.8
16-May-24	J. Fritz	Pre-pack sale matters.	1.1
17-May-24	B. Warga	Drafting of Pre-Filing Report and Confidential Supplement; call with K. Cancilla; e-mail correspondence and calls with counsel re: pre-pack transaction.	6.4



Date	Staff	Comments	Hours
17-May-24	J. Fritz	Pre-filing reporting matters; Company information request review; correspondence with counsel.	2.5
18-May-24	B. Warga	Drafting of Court reporting.	2.4
18-May-24	J. Fritz	Pre-filing reporting matters.	1.7
19-May-24	B. Warga	Call with Taylor McCaffrey re: APA; provision of Draft Reports to Taylor McCaffrey; review of various e-mail correspondence to/from PADM re: information requests; downloading of lease documents.	3.1
19-May-24	J. Fritz	Call with counsel.	0.4
20-May-24	B. Warga	Call with Taylor McCaffrey re: APA; updates to Court reporting; review of various e-mail correspondence; review of revised APA.	2.8
21-May-24	B. Warga	Revisions to Draft Reports from QAR and legal review; call with PADM re: file matters; review of APA; various correspondence and calls with counsel re: materials and Court hearing; review of Notice of Motion and SAVO; review of security opinion.	5.8
21-May-24	J. Fritz	Correspondence with counsel; Court reporting; review of Court materials; correspondence with management re: information requests.	5.3
21-May-24	J. Parisi	Review and provide comments on Receiver's Pre-Filing Report; review the Confidential Supplement and provide comments.	1.9
22-May-24	B. Warga	Finalization of Pre-Filing Reports; various correspondence and calls with legal counsel re: APA and Court matters; review of Court materials.	5.2
22-May-24	J. Fritz	Finalize Court reporting; correspondence with counsel; agreement and court materials review.	7.7
23-May-24	B. Warga	Attendance at Court hearing; attendance at Buffalo Place; calls with PADM Group; call with landlord; review of various e-mail correspondence; review of purchase price allocation; review of license agreement; drafting of borrowing certificate and cash flows.	7.3
23-May-24	J. Fritz	Receivership Court hearing attendance; correspondence with management re: information requests and receivership process; onsite attendance and landlord meeting.	4.7
24-May-24	B. Warga	Review and execution of Transaction closing documents; various e-mail correspondence and calls with Taylor McCaffrey re: closing documents; call with Purchaser re: access; review of access agreement; call with interested stakeholder; borrowing request to RBC; call with landlord.	4.4
24-May-24	J. Fritz	Transaction closing matters; correspondence with management re: information requests.	5.6
25-May-24	J. Fritz	Management correspondence re: employee information.	0.3



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Calgary, Alberta T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
July 8, 2024	CINV2990757 CUS0082967

Re: PADM Group Inc. - In Receivership

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

Our Fee	\$ 59,470.00
Subtotal	59,470.00
GST/HST (5%) 101518124RT0001	2,973.50
TOTAL	\$ 62,443.50

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	52.9	575.00	30,417.50
J. Parisi, Partner	0.1	575.00	57.50
J. Fritz, Sr. Manager	57.8	475.00	27,455.00
L. Demchuck, Associate	7.7	200.00	1,540.00
Total	118.5		\$ 59,470.00



Staff	Date	Comments	Hours
B. Warga	2024-05-27	Review of various e-mail correspondence to/from PADM; website updates; billing.	2.3
J. Fritz	2024-05-27	Correspondence with Management re: information requests.	1.2
B. Warga	2024-05-28	On-site meeting with former employees and K. Cancilla; call with PADM Management re: file matters; review of various e-mail correspondence re: receivership proceedings.	3.8
J. Fritz	2024-05-28	Facility attendance and employee meeting; website direction; creditor enquiries; insurance and CRA document review; Management correspondence re: information requests and ongoing receivership matters.	4.7
L. Demchuk	2024-05-28	Submit request to open bank account; correspondence with J Fritz.	0.2
B. Warga	2024-05-29	Call with M. Petrak re: access; call with Taylor McCaffrey re: pension and file matters; drafting and review of Notice and Statement of the Receiver; review of various e-mail correspondence; correspondence to/from RBC and counsel.	3.6
J. Fritz	2024-05-29	Statutory notice compilation; creditor correspondence; IT and data correspondence.	2.7
L. Demchuk	2024-05-29	Correspondence with Versabank, J. Fritz, and discussion re: new account setup; confirm account opening; draft incoming wire payment instructions; set up file and enter client information in Ascend.	1.3
B. Warga	2024-05-30	Finalize Notice and Statement of the Receiver; calls with PADM Group re: sales and equipment; review of various correspondence from PADM Group re: CRA, employees, and file matters; correspondence to/from K. Cancilla re: data access and backups.	2.6
J. Fritz	2024-05-30	Inventory sale matters; post-closing matters; correspondence with insurer; interested party correspondence.	2.4
J. Parisi	2024-05-30	Review receiver's notice.	0.1
B. Warga	2024-05-31	Finalization of mailing; review of various e-mail correspondence re: file matters.	1.0
J. Fritz	2024-05-31	Correspondence with Management re: pending sale; finalize and distribute statutory notice.	1.8
B. Warga	2024-06-03	Review of various e-mail correspondence to/from PADM re: file matters; review of CRA and Minister of Finance correspondence; review of legal fees; correspondence with RBC re: borrowings and professional fees; review of cash flow forecast.	1.8
J. Fritz	2024-06-03	OSB correspondence re: certificate of appointment; CRA correspondence; inventory sale matters; creditor enquiries; correspondence with former management re: information requests.	2.9
L. Demchuk	2024-06-03	Emails re: banking matters; phone calls with J. Fritz.	0.3



Staff	Date	Comments	Hours
B. Warga	2024-06-04	Meeting on-site at Unit B with PADM; call with insurer; review of various e-mail correspondence; various creditor calls; call with legal counsel re: CAFO.	3.4
J. Fritz	2024-06-04	Meeting with former Management re: Receivership matters and asset sales; insurance correspondence; CRA correspondence re: GST; OSB filing matters; payable compilation and request for payment; deposit compilation.	3.3
L. Demchuk	2024-06-04	Correspondence with T. Kelly re: banking matters.	0.2
B. Warga	2024-06-05	Call with brokers re: potential involvement in sale process; review of various e-mail correspondence re: file matters.	1.5
J. Fritz	2024-06-05	Correspondence with former staff/brokers; correspondence with former Management re: Receivership administration.	0.7
L. Demchuk	2024-06-05	Transfer file in Ascend; set up and link bank account; record receipts; draft cheque requisition and enter payables in Ascend for processing; generate OR fees; emails with signing authorities re: approval for cheques; print cheques and scan support to file.	1.4
B. Warga	2024-06-06	Call with interested parties; review of correspondence from PADM re: SRED and various file matters; drafting correspondence to RBC re: broker involvement.	2.8
J. Fritz	2024-06-06	Creditor correspondence; insurance correspondence; former Management correspondence re: Receivership administration matters; interested party correspondence.	2.6
L. Demchuk	2024-06-06	Correspondence and other matters related to approval and mailing of payables; record receipts in Ascend and generate deposit slip; email to J. Fritz.	0.7
B. Warga	2024-06-07	Attendance on site to retrieve mail; call with M. Petrak re: potential transaction; review various e-mail correspondence from PADM re: statutory filings, interested parties, and transactional matters; e-mail correspondence to/from consultants.	2.8
J. Fritz	2024-06-07	Creditor correspondence; correspondence with former Management re: Receivership administration; insurance correspondence.	1.1
L. Demchuk	2024-06-07	Print cheques and scan support to file; mail and courier cheques; correspondence with J. Fritz; e-file remittance for system generated OR fees; draft remittance form for manually generated OR fees; draft cheque requisition for approval.	1.1
B. Warga	2024-06-10	Call with M. Petrak re: sales process; review of Roswell DHT sales package; review of various e-mail correspondence re: security interests; call with C. Roy re: priorities.	1.8
J. Fritz	2024-06-10	Roswell sales package compilation; correspondence with former management re: sales process; insurance correspondence.	3.7
L. Demchuk	2024-06-10	Record payable in Ascend for processing; process and print cheque; scan support to file; mail cheque.	0.3



Staff	Date	Comments	Hours
B. Warga	2024-06-11	Various correspondence to/from PADM re: file matters; correspondence to/from creditors; call with D. Jackson re: file matters.	1.2
J. Fritz	2024-06-11	SRED correspondence; pension and employee contract and legislation review; creditor enquiries; WCB correspondence.	4.1
B. Warga	2024-06-12	Review various correspondence and materials re: pension; correspondence to/from RBC re: funds on deposit; review of various correspondence to/from PADM re: file matters.	1.2
J. Fritz	2024-06-12	Insurance policy review and correspondence; pension priority review; correspondence with counsel; creditor correspondence.	3.3
L. Demchuk	2024-06-12	Process deposit; correspondence with J Fritz.	0.2
B. Warga	2024-06-13	Call with Province of MB re: payroll tax; correspondence to/from PADM re: file matters; attendance on-site at Roswell DHT.	3.2
J. Fritz	2024-06-13	Virtual Roswell site review; creditor correspondence.	1.9
B. Warga	2024-06-14	Meeting on site with M. Petrak and K. Cancilla; call with interested part; call with M. Petrak re: interested party and material purchases.	2.6
J. Fritz	2024-06-14	Correspondence with former Management; interested party correspondence; creditor enquiries.	0.9
B. Warga	2024-06-17	Call with M. Petrak re: interested parties; call with D. Jackson re: SRED matters; review of WEPP materials.	1.4
J. Fritz	2024-06-17	Compilation of WEPP data; correspondence with Management; creditor enquiries; correspondence with counsel.	2.9
B. Warga	2024-06-18	Call with PADM re: transaction intangibles; call with Informanix re: IT support; call with Taylor McCaffrey re: pension priorities; correspondence to/from K. Cancilla re: a/r and data transfer.	2.6
J. Fritz	2024-06-18	Correspondence with Management re: Receivership administration; IT provider call; WEPP matters; correspondence with counsel; creditor enquiries.	3.6
L. Demchuk	2024-06-18	Record receipt and emails re: same.	0.2
B. Warga	2024-06-19	Review of various correspondence from PADM re: file matters.	0.7
J. Fritz	2024-06-19	Correspondence with Management re: asset realization and post-receivership matters; WEPP compilation and correspondence to T. Montesano.	1.4
L. Demchuk	2024-06-19	Draft cheque requisition for approval; prepare wire payment request forms for approval; record payables for processing; correspondence with Versabank; print cheques and mail; scan support; correspondence with B. Warga and J. Fritz.	1.0
B. Warga	2024-06-20	Call with M. Petrak re: file matters; review of offer from interested party; correspondence to/from RBC and BDC re: same.	1.8



Staff	Date	Comments	Hours
L. Demchuk	2024-06-20	Draft wire request form for approval; process wire transfer and record disbursement in Ascend; phone call from Versabank; correspondence with B. Warga and J. Fritz.	0.6
B. Warga	2024-06-21	Meeting with M. Petrak at Unit B; call with interested parties; email correspondence with interested parties; call with M. Petrak.	2.6
J. Fritz	2024-06-21	Creditor correspondence; Management correspondence re: employee matters; interested parties' correspondence; CRA correspondence re: GST and pending audit matters; correspondence to counsel.	1.3
B. Warga	2024-06-24	Call with M. Petrak re: interested parties and asset listing; call with Clark Scitech; correspondence to/from K. Cancilla re: access to Unit B.	0.7
J. Fritz	2024-06-24	Correspondence with Management re: GST and patent matters.	0.8
L. Demchuk	2024-06-24	Record receipts and prepare deposit slip.	0.1
B. Warga	2024-06-25	Meeting on-site with M. Petrak and new tenant; calls with M. Petrak re: file matters; drafting of Roswell sale package; call with D. Jackson re: security and secured creditors.	2.7
J. Fritz	2024-06-25	Creditor correspondence; WEPP compilation; correspondence with T. Montesano re: WEPP matters; Roswell sales process correspondence.	4.3
B. Warga	2024-06-26	Preparation of Roswell sales package; various correspondence to/from PADM re: file matters; correspondence to/from Clarke Scitech re: SRED.	3.2
J. Fritz	2024-06-26	Sales and information package compilation and correspondence; CRA items; post-closing matters; creditor enquiries.	5.1
B. Warga	2024-06-27	Call with interested party.	0.4
J. Fritz	2024-06-27	Correspondence with Management re: CRA; correspondence with CRA.	0.7
B. Warga	2024-06-28	Calls with M. Petrak re: interested parties; review of various e-mail correspondence re: file matters.	1.2
J. Fritz	2024-06-28	Direction to T. Montesano re: WEPP.	0.4
L. Demchuk	2024-06-28	Generate deposit slip.	0.1



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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
August 2, 2024	CINV3017001 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 44,513.75
GST/HST (5%) 101518124RT0001	2,225.69
TOTAL	<u>\$ 46,739.44</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Warga, Partner	43.1	575.00	24,782.50
J. Parisi, Partner	1.0	575.00	575.00
R. Girouard, Partner	0.3	575.00	143.75
J. Fritz, Sr. Manager	29.7	475.00	14,107.50
E. Miranda, Sr. Associate	1.0	305.00	305.00
J. Hue, Sr. Associate	13.4	300.00	4,020.00
L. Demchuck, Associate	2.9	200.00	580.00
Total	<u>91.4</u>		<u>\$ 44,513.75</u>



Staff	Date	Comments	Hours
J. Fritz	2024-07-01	Creditor enquiries.	0.2
J. Parisi	2024-07-02	Review of Sales and Information Package and provide comments.	0.5
J. Fritz	2024-07-02	Roswell sales process interested party correspondence.	1.2
B. Warga	2024-07-02	Updates to Roswell package; various calls with M. Petrak re: interested parties; correspondence to/from Clarke Scitech re: SRED; correspondence to/from K. Cancilla re: file matters; creditor correspondence.	3.2
L. Demchuk	2024-07-03	Draft cheque requisition; prepare wire payment request form for approval; correspondence with J. Fritz and B. Warga.	0.5
J. Fritz	2024-07-03	Direction to J. Hue re: WEPP; Roswell sales package finalization and distribution; payables administration.	1.3
B. Warga	2024-07-03	Correspondence with Clarke Scitech re: SRED; call with M. Petrak re: interested parties; correspondence to/from K. Cancilla re: clean rooms; correspondence with PADM re: file matters.	1.9
L. Demchuk	2024-07-04	Process wire payment.	0.2
J. Fritz	2024-07-04	Roswell sales process interested party correspondence; creditor correspondence; PADM Medical invoice payment.	1.2
B. Warga	2024-07-04	E-mail correspondence to/from Taylor McCaffrey re: security interests and general matters; call with J. Fleming re: SRED; asset sale matters; correspondence to/from PADM re: file matters; drafting of R&D.	1.8
B. Warga	2024-07-05	Correspondence to/from PADM re: SRED claims; correspondence to/from Clarke Scitech re: SRED.	0.8
J. Hue	2024-07-05	Revised WEPP schedule and prepare the prefilled WEPP claims.	2.6
J. Fritz	2024-07-05	Roswell sales process correspondence and site visit logistics; CRA correspondence and GST; WEPP review and correspondence with J. Hue.	3.7
L. Demchuk	2024-07-08	Enter and process payables; print cheques and mail; scan support to file.	0.4
B. Warga	2024-07-08	Call with M. Petrak re: interested parties; call with PADM Group re: interested parties and retention of former staff; review of various email correspondence re: file matters.	1.6
J. Fritz	2024-07-08	Call with former Management re: sales process; creditor enquiries; WEPP matters; Roswell sales process administration.	2.1
B. Warga	2024-07-09	Correspondence to/from PADM re: interested parties, SRED, and file matters; discussion of file matters with J. Fritz.	1.1
J. Fritz	2024-07-09	Roswell sales process administration; third party goods matters.	1.2
J. Hue	2024-07-09	Filing employee information with Service Canada regarding WEPP claim.	3.8



Staff	Date	Comments	Hours
J. Fritz	2024-07-10	Direction to T. Montesano re: WEPP; Roswell sales process correspondence with interested parties.	0.9
B. Warga	2024-07-10	Correspondence to/from RBC re: account closure; draft correspondence to IAFG re: pensions; call with M. Petrak re: interested parties; review of various e-mail correspondence re: file matters.	2.8
J. Hue	2024-07-10	Filing employee information with Service Canada; assemble and mailing out the WEPP packages.	3.8
B. Warga	2024-07-11	Review of various correspondence from PADM Group re: site visits and interested parties; correspondence to/from Purchaser re: accounts receivable.	1.2
J. Fritz	2024-07-12	Roswell landlord correspondence; SR&ED matters; sales process correspondence.	1.3
B. Warga	2024-07-12	Call with K. Cancilla re: SRED; call with M. Petrak re: interested parties; attendance on-site to retrieve mail; correspondence to/from Taylor McCaffrey re: Clarke Scitech contingency agreement.	2.8
B. Warga	2024-07-15	Meeting on-site with M. Petrak, A. Hilland and auctioneer re: inventory and residual assets; call with Taylor McCaffrey re: SRED matters; review of various correspondence from A. Hilland re: tax filings, inventory, etc.; processing of disbursements.	3.1
R. Girouard	2024-07-16	T2 matters.	0.3
J. Fritz	2024-07-16	Call with Receiver's counsel and Purchaser's counsel re: SR&ED.	0.4
L. Demchuk	2024-07-16	Correspondence with B. Warga and Versabank re: incoming funds via wire payment.	0.4
E. Miranda	2024-07-16	Discussion with R. Girouard and T2 changes.	1.0
B. Warga	2024-07-16	Call with MLT Akins re: SRED and Clark Scitech Agreement; review and editing of same; various correspondence to/from Taylor McCaffrey re: same; discussions with tax team re: Roswell return.	2.3
L. Demchuk	2024-07-17	Draft cheque requisition for approval; enter payables for processing; correspondence with J. Fritz and B. Warga re: same.	0.3
J. Hue	2024-07-17	Filing WEPP claim as received with Service Canada; update WEPP tracker and email former employee confirmation and direction.	0.4
J. Fritz	2024-07-17	Pension correspondence; correspondence with counsel; payables administration; SR&ED matters; Roswell sales process correspondence.	1.7
B. Warga	2024-07-17	Call with M. Petrak re: interested parties; Roswell tax filing matters; various correspondence to/from PADGM Group re: file matters; correspondence to/from Taylor McCaffrey re: Clarke Scitech Agreement.	1.8
L. Demchuk	2024-07-18	Print and mail cheques; scan support to file.	0.2



Staff	Date	Comments	Hours
J. Fritz	2024-07-18	Roswell sales process correspondence with interested parties; T4 correspondence; correspondence with counsel.	1.1
B. Warga	2024-07-18	Review of Roswell tax filings; correspondence with internal tax group re: same; various e-mail correspondence re: file matters; correspondence to/from Taylor McCaffrey re: confidentiality agreement.	1.5
J. Fritz	2024-07-19	Roswell sales process administration.	0.3
B. Warga	2024-07-19	Correspondence to/from Taylor McCaffrey re: Clarke Scitech engagement; review of Roswell submissions; correspondence to/from PADM re: file matters.	1.3
L. Demchuk	2024-07-22	Banking matters; draft wire payment request form for approval; correspondence with B. Warga.	0.4
J. Hue	2024-07-22	Filing several WEPP claims as received with Service Canada; update WEPP tracker; saving claims and email former employees confirmation; telephone calls with former employees and assist in completing claims.	1.7
B. Warga	2024-07-22	Summarization of submissions from Roswell process; calls with M. Petrak re: file matters; calls with C. Belanger re: on-site attendance; call with interested party; correspondence with Purchaser re: A/R; correspondence to legal counsel re: security and NDA.	2.8
L. Demchuk	2024-07-23	Process wire transfer request.	0.2
B. Warga	2024-07-23	Attendance on-site at PADM to retrieve mail and meet with Malach; updates to R&D; drafting e-mail update to RBC; call with K. Cancilla re: SRED and purchased assets; e-mail correspondence to/from M. Petrak re: interested parties; correspondence with Taylor McCaffrey re: security and file matters.	2.4
B. Warga	2024-07-24	Correspondence to/from Taylor McCaffrey re: security; correspondence to/from Greatwest Mechanical; correspondence to PDAM Group re: interested parties.	0.8
J. Fritz	2024-07-24	Correspondence with appointing secured creditor; Roswell sales process offer review and correspondence.	1.4
J. Hue	2024-07-25	Telephone call with creditors; enter and save claims as received with Service Canada and update tracker.	0.6
J. Fritz	2024-07-25	CRA correspondence re: trust examination and online access matters; interested parties and sales process correspondence; building maintenance matters.	1.7
B. Warga	2024-07-25	Call with M. Petrak re: interested parties; drafting of sales package; correspondence to/from K. Cancilla and CRA re: SRED; discussion with J. Fritz re: file matters.	4.2
L. Demchuk	2024-07-26	Prepare wire transfer request form and process.	0.3
J. Hue	2024-07-26	WEPP administration matters.	0.5



Staff	Date	Comments	Hours
B. Warga	2024-07-26	Call with J. Fritz re: sales package; call with Malach re: mail.	0.7
J. Fritz	2024-07-26	PADM Medical and Textiles sales process document, interested parties, and former Management correspondence; GST filing.	2.1
J. Parisi	2024-07-28	Review sales package and provide comments.	0.5
J. Fritz	2024-07-29	Medical and Textiles sales process; correspondence with interested parties; DHT sales process post offer matters.	3.4
B. Warga	2024-07-30	Call with M. Petrak re: interested parties; correspondence to/from interested parties and scrap/salvage companies; updates to sales package; discussion with J. Fritz re: file matters and sales process.	2.3
J. Fritz	2024-07-30	WEPP administration; interested parties correspondence and administration re: DHT sales process and Medical/Textiles sales process.	3.3
J. Fritz	2024-07-31	WEPP administration; CRA correspondence; sales process administration re: Medical/Textiles.	1.2
B. Warga	2024-07-31	Calls with M. Petrak re: interested parties; call with interested party; calls with salvage/scrap companies; review of SRED response for PADM Medical.	2.7



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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
September 16, 2024	CINV3083946 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 64,330.00
GST/HST (5%) 101518124RT0001	3,216.50
TOTAL	<u>\$ 67,546.50</u>

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	69.3	575.00	39,847.50
J. Fritz, Sr. Manager	47.5	475.00	22,562.50
J. Hue, Sr. Associate	3.0	300.00	900.00
L. Demchuck, Associate	5.1	200.00	1,020.00
Total	<u>124.9</u>		<u>\$ 64,330.00</u>



Staff	Date	Comments	Hours
B. Warga	2024-08-01	Meeting on-site with M. Petrak; calls with G. Kopec re: scrap; calls with M. Petrak re: interested parties; review of various e-mail correspondence re: file matters; call with RBC's counsel re: file update; billing; review of Clarke Scitech Agreement	2.8
J. Fritz	2024-08-01	Medical/Textiles sales process administration and interested party correspondence; CRA deemed trust audit review and correspondence; primary secured creditor correspondence.	1.9
L. Demchuk	2024-08-01	Draft cheque requisition and prepare wire request form for approval.	0.3
B. Warga	2024-08-02	Meeting on-site with salvage company; calls with M. Petrak re: interested parties; various e-mail correspondence to/from interested parties.	2.9
J. Fritz	2024-08-02	DHT asset sale correspondence; Medical/Textiles asset sale correspondence and administration.	2.6
J. Fritz	2024-08-05	PADM sales process interested parties' correspondence.	0.3
B. Warga	2024-08-06	Review of PADM Group SRED; call with counsel to RBC re: Roswell asset sale; correspondence to BDC re: same; drafting of First Report.	2.4
J. Hue	2024-08-06	Filing WEPP claims as received with Service Canada; update the WEPP tracker and email former employee confirmation; telephone call with former employee.	0.4
J. Fritz	2024-08-06	DHT and Medical/Textiles sale process administration and correspondence; secured creditor correspondence.	0.9
B. Warga	2024-08-07	Correspondence to/from scrap dealers; correspondence to/from PADM re: interested parties; correspondence to RBC re: borrowing certificate.	1.2
J. Fritz	2024-08-07	Sales process correspondence to interested parties and former management (re: contacts and information distribution).	1.6
B. Warga	2024-08-08	Drafting of Addendum to sales package; call with M. Petrak; correspondence with interested broker.	2.3
J. Fritz	2024-08-08	Sales process administration; correspondence with management re: sales process/tax matters; CRA correspondence re: audit and account access; distribution of Sales Package Addendum; WEPP administration.	5.2
B. Warga	2024-08-09	Correspondence to/from BDC re: purchase price allocation; correspondence to/from PADM re: interested parties; correspondence to scrap dealers.	1.1
B. Warga	2024-08-12	Call with M. Petrak re: interested parties; processing of deposits and disbursements; review of various email correspondence.	2.4
J. Hue	2024-08-12	Call and email with employee regarding WEPP claim.	0.6



Staff	Date	Comments	Hours
J. Fritz	2024-08-12	Insurance review and correspondence with broker and management re: renewal; CRA correspondence and testing re: online access.	2.6
L. Demchuk	2024-08-12	Process deposit.	0.2
B. Warga	2024-08-13	Drafting of First Report; correspondence with PADM re: interested parties; correspondence to/from Taylor McCaffrey re: Receiver's Certificate and Clarke Scitech agreement; drafting of scrap invoice.	4.2
J. Hue	2024-08-13	Filing WEPP claims as received with Service Canada; update tracker and email employee update; telephone call with former employee regarding WEPP claim.	0.6
J. Fritz	2024-08-13	Unit B equipment removal matters; sales process correspondence.	0.6
L. Demchuk	2024-08-13	Correspondence with B. Warga and Versabank re: incoming funds; record deposit in Ascend.	0.3
B. Warga	2024-08-14	Review of e-mail correspondence from PADM and interested parties; attendance on-site at Unit B re: asset removal; drafting of Confidential Supplement.	1.8
J. Fritz	2024-08-14	DHT Sales process correspondence; secured creditor review; CRA access and tax correspondence.	2.1
L. Demchuk	2024-08-14	Draft cheque requisitions for approval; process deposit; process payables; print and mail cheques; scan support to file.	0.8
B. Warga	2024-08-15	Attendance on-site at Unit B re: water line decommissioning and prospective tenant access; correspondence to/from PADM re: electronic file access; calls with K. Cancilla re: premises; correspondence with landlord; correspondence with Vipond.	2.8
B. Warga	2024-08-16	Call with interested parties; review of submitted offers; call with M. Petrak; call with J. Fritz re: options.	2.5
J. Fritz	2024-08-16	Interested party correspondence; Textiles/Medical sales process administration.	0.7
B. Warga	2024-08-19	Correspondence to/from M. Petrak re: sales process and interested party; summarization of offers; review of correspondence re: trademark transfers; call with M. Petrak.	2.3
J. Fritz	2024-08-19	Sales process matters; call with M. Petrak; pre-pack intangible agreement review and edits; compilation of data and correspondence with C. Belanger; WEPP enquiry; creditor correspondence; CRA correspondence; ongoing insurance matters.	2.6
L. Demchuk	2024-08-19	Correspondence re: incoming wire payment funds.	0.2
B. Warga	2024-08-20	Draft of updates to RBC and BDC; attendance at Unit B for scrap removal and equipment maintenance; meeting with Malach re: rent extension on Unit B space; review of insurance policy renewal.	5.1
J. Fritz	2024-08-20	Sales process matters; primary secured creditor correspondence; R&D and payables; pension review and correspondence.	2.3
L. Demchuk	2024-08-20	Draft cheque requisition; process payable.	0.4



Staff	Date	Comments	Hours
B. Warga	2024-08-21	Attendance at Unit B for equipment repair and scrap removal; discussions with M. Petrak re: interested parties; deposit.	3.1
J. Fritz	2024-08-21	Secured creditor correspondence; other creditor enquiries; CRA correspondence re: online access and audit.	0.8
L. Demchuk	2024-08-21	Record and process deposit; process payables; print and mail cheques; scan support to file.	0.4
B. Warga	2024-08-22	Call with interested party and M. Petrak; review and edits to draft LOI; correspondence to/from legal counsel; review of correspondence to/from insurance provider.	2.6
J. Fritz	2024-08-22	Textile sale matters: call with interested party and M. Petrak; LOI review and revisions; GST compilation and filing; WEPP enquiries; insurance coverage correspondence.	2.7
B. Warga	2024-08-23	Calls with M. Petrak; correspondence to/from interested party; correspondence to/from J. Fritz re: insurance.	2.3
J. Fritz	2024-08-23	Interested party EOI; CRA access correspondence; insurance correspondence.	1.2
L. Demchuk	2024-08-23	Draft cheque requisition form; enter and process payables; print cheques and mail; scan support to file.	0.5
B. Warga	2024-08-26	Call with Taylor McCaffrey re: security opinion; calls with M. Petrak re: interested parties; e-mail correspondence to/from interested party; review of LOI.	3.2
J. Fritz	2024-08-26	Sales process matters; review of pre-pack electronic document compilation and follow-up with C. Belanger; patent correspondence; correspondence with counsel; security redemption.	3.4
B. Warga	2024-08-27	Update call with BDC and counsel; correspondence to/from interested parties; correspondence to/from Taylor McCaffrey re: LOI; calls with M. Petrak.	3.1
J. Hue	2024-08-27	Telephone call with creditor regarding WEPP claim; email J. Fritz Service Canada payment letters.	0.3
J. Fritz	2024-08-27	Secured creditor update; WEPPA administration; asset correspondence re: BDC secured interests; DHT sales process correspondence; insurance correspondence; patent correspondence.	2.4
L. Demchuk	2024-08-27	Draft cheque requisition for approval; prepare wire transfer request for processing; correspondence with Versabank; record payment in Ascend and save support to file.	0.4
B. Warga	2024-08-28	Correspondence with landlord, K. Cancilla, and Malach re: occupancy; call with M. Petrak; correspondence to interested party.	2.1
J. Hue	2024-08-28	Filing claims as received with Service Canada; update the tracker and correspondence with creditor.	0.4



Staff	Date	Comments	Hours
J. Fritz	2024-08-28	DHT sales process matters and correspondence; correspondence with counsel; secured creditor information requests; pension correspondence; CRA trust audit correspondence.	1.7
B. Warga	2024-08-29	Meeting on-site at Unit B with landlord; call with RBC and BDC counsel re: LOI; updates to R&D and drafting of revised cash flows; e-mail correspondence to/from RBC/BDC; call with M. Petrak re: file matters.	3.1
J. Fritz	2024-08-29	Insurance correspondence; patent correspondence; sales process matters.	0.9
L. Demchuk	2024-08-29	Draft cheque requisition for approval; prepare wire transfer request for processing; record payment in Ascend; save support to file; other correspondence re: banking matters.	0.5
B. Warga	2024-08-30	Call with RBC; call with M. Petrak; various correspondence to RBC/BDC re: LOI; e-mail correspondence to/from interested parties.	1.4
J. Fritz	2024-08-30	Sales process correspondence.	0.3
B. Warga	2024-09-03	Call with counsel to RBC and BDC; call with interested party; calls with M. Petrak; review of insurance correspondence.	1.6
J. Fritz	2024-09-03	Primary secured creditors correspondence; interested party correspondence; other sales process matters.	1.4
L. Demchuk	2024-09-03	Verify cheque for Versabank.	0.1
B. Warga	2024-09-04	Correspondence to/from M. Petrak re: interested party.	0.4
J. Fritz	2024-09-04	Insurance review and broker correspondence; pension claim review.	0.8
L. Demchuk	2024-09-04	Prepare cheque requisition; draft wire request form for approval; correspondence with Versabank; enter and process payables; print and mail cheques; scan support to file.	0.7
B. Warga	2024-09-05	Drafting of First Report; correspondence with J. Fritz and M. Petrak re: file matters.	2.2
J. Fritz	2024-09-05	Priority claim correspondence.	0.3
L. Demchuk	2024-09-05	Prepare deposit slip; correspondence with Versabank and J. Fritz re: banking information.	0.3
B. Warga	2024-09-06	Call with M. Petrak re: interested parties; drafting of Confidential Supplement.	2.2
J. Fritz	2024-09-06	Insurance review and correspondence; CRA attendance matters.	0.7
B. Warga	2024-09-09	Call with CRG re: site attendance; review of various e-mail correspondence re: file matters; call with M. Petrak; return of interested party deposit.	1.5
J. Fritz	2024-09-09	DHT sales process correspondence; compilation of CRA Trust Examination data.	2.7
B. Warga	2024-09-10	Attendance at Unit B; meeting with M. Petrak; call with scrap dealer; interested party correspondence; attendance on-site with	4.1



Staff	Date	Comments	Hours
		scrap dealer and M. Petrak; various correspondence to/from M. Petrak and K. Cancilla re: Roswell assets; call with Taylor McCaffrey re: court hearing; CRA discussions with J. Fritz; drafting of distribution analysis.	
J. Hue	2024-09-10	Filing WEPP claim as received with Service Canada; update the WEPP tracker; telephone call with creditor regarding WEPP submission status; follow up call with Service Canada and relay issue with former employee due to two SIN filings resolved.	0.7
J. Fritz	2024-09-10	CRA auditor meeting and information requests; CRA access matters; pre-pack asset conveyance correspondence; tax data compilation and correspondence; Roswell landlord and services correspondence.	2.7
B. Warga	2024-09-11	Review of APA; calls with interested party; review of security analysis; review of various e-mail correspondence re: asset sale matters.	2.6
J. Fritz	2024-09-11	Correspondence with DHT prospective purchaser; correspondence with primary secured creditors and counsel re: DHT sales process; counsel correspondence; C. Belanger call and correspondence re: DHT data; APA review and edits; Winnipeg location matters.	2.1



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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
October 31, 2024	CINV3134700 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 60,522.50
GST/HST (5%) 101518124RT0001	3,026.13
TOTAL	<u>\$ 63,548.63</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Warga, Partner	69.6	575.00	40,020.00
J. Parisi, Partner	1.4	575.00	805.00
R. Girouard, Partner	0.8	575.00	460.00
J. Fritz, Sr. Manager	36.7	475.00	17,432.50
E. Miranda, Sr. Associate	1.0	305.00	305.00
J. Hue, Sr. Associate	1.4	300.00	420.00
L. Demchuck, Associate	5.4	200.00	1,080.00
Total	<u>116.3</u>		<u>\$ 60,522.50</u>



Staff	Date	Comments	Hours
B. Warga	2024-09-12	Call with Taylor McCaffrey re: APA, security review, and Court hearing; call with M. Petrak re: interested parties; call with G. Kopec re: Unit B assets; billing; updates to First Report.	2.2
L. Demchuk	2024-09-12	Enter payable and draft cheque requisition for approval.	0.2
J. Fritz	2024-09-12	Correspondence with counsel; Roswell DHT sale process correspondence and APA review.	2.3
B. Warga	2024-09-13	Calls with interested parties; call with M. Petrak; call and e-mail correspondence with counsel to RBC; drafting of First Report.	3.3
J. Fritz	2024-09-13	CRA correspondence re: SR&ED access; pre-pack sale asset sale matters; Winnipeg location asset matters; DHT interested party call.	3.2
B. Warga	2024-09-16	Attending on-site at Unit B re: clean room removal; call with Malach re: access; calls with M. Petrak and interested party; drafting of First and Confidential Reports; review of Notice of Motion and Draft Order; review of LOI; correspondence to/from RBC and BDC; call with CNT re: APA; review of edits to APA and correspondence with CNT re: same.	5.4
J. Hue	2024-09-16	Update WEPP tracker and email J. Fritz the schedule and Service Canada payment letters.	0.9
J. Fritz	2024-09-16	Court reporting; correspondence with counsel; DHT sales process; Medical/Textiles sales process; insurance correspondence.	2.2
L. Demchuk	2024-09-16	Draft cheque requisition; prepare wire payment request forms; phone call to payee to confirm wire info; process wire payments and record in Ascend; email correspondence; record and process payables; print and mail cheques; scan support to file.	1.0
B. Warga	2024-09-17	Finalization of First and Confidential Reports; attendance on-site at Unit B; correspondence with interested party re: LOI; call and e-mail correspondence with RBC/BDC; calls with M. Petrak.	5.1
J. Fritz	2024-09-17	Roswell utility (gas) service arrangements; landlord correspondence; primary secured creditor correspondence; DHT and Medical/Textiles sales process correspondence; Court reporting.	2.7
J. Parisi	2024-09-17	Review First Report of the receiver and Confidential Supplement.	1.4
L. Demchuk	2024-09-17	Trust accounting.	0.1
B. Warga	2024-09-18	Updates to First Report and Confidential Supplement; correspondence to/from Taylor McCaffrey re: APA.	1.3
J. Fritz	2024-09-18	Roswell utility correspondence; correspondence with counsel; creditor correspondence; DHT sales process correspondence; Textiles sales process correspondence.	2.9
L. Demchuk	2024-09-18	Draft cheque requisition; prepare wire transfer request; enter payables for processing; correspondence with Versabank; process deposit; print cheque and prepare for mailing; scan support to file.	0.8



Staff	Date	Comments	Hours
B. Warga	2024-09-19	Finalization of First Report, Confidential Supplement, and APA; various calls with Taylor McCaffrey re: same; review of various e-mail correspondence re: file matters.	2.8
J. Fritz	2024-09-19	Correspondence with counsel; finalizing APA, reports, and Court materials.	4.4
L. Demchuk	2024-09-19	Post incoming wire funds to Ascend; email correspondence.	0.1
B. Warga	2024-09-20	Preparation for Court hearing; attendance at Court hearing; correspondence with Purchaser re: site attendance; drafting of Second Confidential Supplement.	4.8
J. Fritz	2024-09-20	Sales process correspondence; direction to S. Singh re: site visits; insurance review and broker correspondence.	1.3
B. Warga	2024-09-23	Attendance at Unit B; call with S. Singh and CNT re: Calgary tour; review of APA re: PADM Medical/Textiles; drafting of Second Supplemental Confidential Report; drafting of Second Report; e-mail correspondence to/from Taylor McCaffrey re: transaction closing and file matters.	2.6
J. Fritz	2024-09-23	DHT purchaser correspondence; direction to S. Singh.	0.7
B. Warga	2024-09-24	Updates to Second Report; call with M. Petrak re: contractor fees and interested party; correspondence to/from interested party re: site attendance; attendance at Unit B; correspondence to/from Taylor McCaffrey re: APA and file matters; call to RBC's counsel.	2.6
J. Fritz	2024-09-24	Primary secured creditor correspondence; counsel correspondence.	0.6
B. Warga	2024-09-25	Call with K. Anniko re: disbursements; call with C. Roy re: Court hearing; review of APA edits; correspondence to/from Taylor McCaffrey re: same; correspondence to/from RBC and interested party; review of CRA SRED response.	2.9
J. Fritz	2024-09-25	Pending sales correspondence; statutory filings.	0.7
L. Demchuk	2024-09-25	Correspondence re: banking matters.	0.4
B. Warga	2024-09-26	Meeting onsite at Unit B with prospective purchaser and M. Petrak; call with Taylor McCaffrey re: APA; correspondence with Purchaser re: closing; call with Versabank re: deposit.	4.3
J. Fritz	2024-09-26	Correspondence with counsel; asset sale correspondence and logistics.	1.1
B. Warga	2024-09-27	Calls with Taylor McCaffrey re: APA, closing, Court hearing, and third-party equipment; attendance on-site at Unit B with M. Petrak and prospective purchaser; correspondence with VersaBank re: wires; call with K. Cancilla re: SRED.	4.4
J. Fritz	2024-09-27	SR&ED filing matters; asset sale correspondence and onsite logistics; building maintenance matters.	1.9
L. Demchuk	2024-09-27	Correspondence with Versabank re: incoming wire payments; record incoming funds in Ascend; draft cheque requisition; prepare and	0.8



Staff	Date	Comments	Hours
		process wire payment request; process payables; correspondence with J. Fritz re: same.	
L. Demchuk	2024-09-28	Trust accounting.	0.1
B. Warga	2024-09-30	Drafting of Second Report and Confidential Supplement; correspondence with interested party.	2.4
B. Warga	2024-10-01	Updates to Second Report and Confidential Supplement; preparation of asset listing for APA; attendance on-site at Unit B; review of APA; correspondence to/from Taylor McCaffrey re: APA; call with M. Petrak re: interested party.	2.8
J. Fritz	2024-10-01	Correspondence with counsel; secured creditor correspondence; Roswell tax matters.	1.5
B. Warga	2024-10-02	Calls with Taylor McCaffrey re: interested party withdrawal and LOI; correspondence to/from interested party; call with M. Petrak; call with interested party; drafting update correspondence to RBC/BDC.	2.6
J. Fritz	2024-10-02	Sales process correspondence; primary secured creditor correspondence; correspondence with counsel.	1.2
L. Demchuk	2024-10-02	Trust accounting.	0.1
B. Warga	2024-10-03	Calls with Taylor McCaffrey re: interested party correspondence and deposit; e-mail correspondence to/from RBC/BDC re: same; call with M. Petrak re: interested parties; draft correspondence to select interested parties.	2.8
J. Fritz	2024-10-03	Asset sale correspondence; correspondence with counsel.	0.4
L. Demchuk	2024-10-03	Draft cheque requisition and wire payment request form.	0.2
B. Warga	2024-10-04	Correspondence to interested parties re: final offer process; correspondence to/from M. Petrak re: same.	1.4
E. Miranda	2024-10-04	Preparation of tax filing (T2).	1.0
L. Demchuk	2024-10-04	Process wire payment, record payables in Ascend.	0.2
B. Warga	2024-10-07	Call and correspondence to/from M. Petrak re: interested parties; correspondence to/from counsel re: closing.	0.4
L. Demchuk	2024-10-07	Correspondence with B. Warga and Versabank re: incoming wire payment.	0.2
J. Fritz	2024-10-07	CRA correspondence re: deemed trust claim, online access, agent access addition, and direct deposit amendments; insurance review and correspondence; payables processing.	1.9
B. Warga	2024-10-08	Review and filing of Roswell T2 (2023); call with M. Petrak re: interested parties; review of legal bill; WEPP correspondence; review of correspondence to/from secured creditors.	1.2
J. Fritz	2024-10-08	Secured claim correspondence; WEPP administration; asset sale correspondence.	1.1



Staff	Date	Comments	Hours
L. Demchuk	2024-10-08	Record receipt in Ascend; email correspondence; draft cheque requisition for approval; record and process payables.	0.4
R. Girouard	2024-10-08	Review and finalize tax filing (T2).	0.8
B. Warga	2024-10-09	Attendance on-site; meeting with Malach; meeting with M. Petrak; call with M. Petrak and interested party; call with M. Petrak.	1.6
L. Demchuk	2024-10-09	Process payables; print and mail cheques; scan support to file.	0.2
J. Fritz	2024-10-09	C. Belanger correspondence re: ongoing Roswell matters; invoice review.	0.3
B. Warga	2024-10-10	Call with C. Belanger re: Calgary premises, Roswell/Textile assets, and pre-pack data transfer; call with M. Petrak re: interested parties; correspondence to/from parties interested in Unit B assets.	1.7
J. Fritz	2024-10-10	Meeting with C. Belanger re: sales processes, data access, ongoing administration; interested parties' correspondence.	1.4
B. Warga	2024-10-11	Correspondence to J. Hue re: WEPP; calls with M. Petrak; call with legal counsel re: invoice and file matters.	0.7
B. Warga	2024-10-15	Call with auctioneer; correspondence to/from M. Petrak re: interested party; draft correspondence to CWB National Leasing re: security.	1.2
J. Hue	2024-10-15	Request detailed WEPP statement from Service Canada.	0.5
J. Fritz	2024-10-15	CRA amended T4 review and distribution; interested party correspondence re: Medical and Textiles Assets; Third party correspondence.	0.9
L. Demchuk	2024-10-15	Draft cheque requisition; draft wire payment request and process; enter payables for processing; record and process deposit; email correspondence.	0.6
B. Warga	2024-10-16	Correspondence to/from creditors; review of auctioneer's proposal; discussion of file matters with J. Fritz; correspondence with M. Petrak re: interested party.	1.6
B. Warga	2024-10-17	Correspondence to/from M. Petrak; correspondence to interest party; discussion of options with J. Fritz; call with K. Cancilla.	0.5
J. Fritz	2024-10-17	Interested party correspondence; payable administration.	0.6
B. Warga	2024-10-18	Correspondence to/from RBC re: file matters; correspondence and calls with K. Cancilla and M. Petrak re: interested parties; billing.	1.2
J. Fritz	2024-10-21	Review Roswell tax return status; correspondence with Clarke SciTech re: SR&ED.	0.4
B. Warga	2024-10-21	E-mail correspondence with C. Belanger re: tube mill details; e-mail correspondence to/from interested party; call with M. Petrak re: same.	0.8
J. Fritz	2024-10-22	CRA correspondence re: related party GST; SR&ED request compilation and correspondence to Clarke SciTech; third party and landlord logistics.	1.2



Staff	Date	Comments	Hours
B. Warga	2024-10-22	Calls with M. Petrak re: interested party; correspondence to/from C. Belanger re: tube mill details; call with interested party.	1.3
J. Fritz	2024-10-23	Sales process correspondence; secured creditor update; statutory filings; SR&ED correspondence to Clarke SciTech; third party asset logistics; electronic data correspondence.	0.9
B. Warga	2024-10-23	Correspondence to/from interested party; call with counsel to RBC and BDC; call with M. Petrak; calls with K. Cancilla re: Pre-Pak Transaction assets; correspondence to/from C. Belanger re: tube mill assets.	1.8
J. Fritz	2024-10-24	Sales process correspondence; Calgary attendance co-ordination.	0.5
B. Warga	2024-10-24	Correspondence to/from interested party; correspondence to/from RBC and BDC; correspondence to/from M. Petrak.	0.8
B. Warga	2024-10-25	Updates to APA and asset listing; correspondence to/from interested parties.	1.1
J. Fritz	2024-10-26	APA review; sales process correspondence.	0.4



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BDO Canada Limited
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Winnipeg, MB R3B 3K6

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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
December 23, 2024	CINV3217863 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 61,315.00
Disbursements (Mileage)	76.66
Subtotal	61,391.66
GST/HST (5%) 101518124RT0001	3,069.58
TOTAL	\$ 64,461.24

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Warga, Partner	72.6	575.00	41,745.00
J. Parisi, Partner	1.2	575.00	690.00
J. Fritz, Sr. Manager	32.0	475.00	15,200.00
L. Fritsche, Manager	1.2	375.00	450.00
S. Singh, Sr. Associate	6.0	300.00	1,800.00
J. Hue, Sr. Associate	0.3	300.00	90.00
L. Demchuck, Associate	6.7	200.00	1,340.00
Total	<u>120.0</u>		<u>\$ 61,315.00</u>



Staff	Date	Comments	Hours
L. Demchuk	2024-10-17	Draft payable requisition and wire payment request form for approval; record and process payables.	0.3
L. Demchuk	2024-10-18	Print and mail cheques; scan support to file.	0.2
B. Warga	2024-10-28	Updates to Confidential Report; correspondence to/from interested parties; correspondence to/from legal counsel re: Court hearing.	3.4
J. Fritz	2024-10-28	Payment requests; third-party goods correspondence; pension claim response compilation of schedules; trust accounting.	1.1
J. Hue	2024-10-28	Email team the WEPP detailed statement for PADM Medical and PADM Group.	0.2
L. Demchuk	2024-10-28	Record and process deposit.	0.2
B. Warga	2024-10-29	Attendance on-site to locate certain inventory re: sale transaction; correspondence to/from interested parties; call with legal counsel re: Court hearing.	2.4
J. Fritz	2024-10-29	Finalize and distribute pension claim correspondence; sales process matters.	1.2
B. Warga	2024-10-30	Updates to APA; correspondence with Purchaser; correspondence with legal counsel re: Court hearing; call with M. Petrak; billing.	2.1
J. Fritz	2024-10-30	Asset sale matters; C. Belanger correspondence re: onsite attendance.	0.2
L. Demchuk	2024-10-30	Draft cheque requisition; record and process payable in Ascend.	0.2
B. Warga	2024-10-31	Attendance onsite at Unit B to meet with landlord.	0.6
B. Warga	2024-10-31	Updates to Second Report; correspondence to/from interested parties; correspondence to RBC.	1.6
J. Fritz	2024-10-31	A. Hilland correspondence re: pre-filing GST; secured creditor update.	0.6
L. Demchuk	2024-10-31	Process deposit; print and mail cheque; scan support to file.	0.5
B. Warga	2024-11-01	Review and processing of disbursements; filing of annual return for Roswell.	0.7
J. Fritz	2024-11-01	Third-party goods correspondence.	0.3
B. Warga	2024-11-04	Updates to Confidential Report; correspondence with interested parties.	1.4
J. Fritz	2024-11-04	Payable and Receiver's Borrowing repayment correspondence.	0.3
L. Demchuk	2024-11-04	Draft payable requisition; draft wire payment request forms; process payables.	0.6
B. Warga	2024-11-05	Updates to Second Report and Confidential Supplement; review of APA and correspondence to/from Purchaser and legal counsel; review of motion materials.	3.1



Staff	Date	Comments	Hours
J. Fritz	2024-11-05	Creditor correspondence; Court reporting.	2.4
J. Parisi	2024-11-05	Review Court report, Confidential Supplement and related appendices and provide comments.	1.2
L. Demchuk	2024-11-05	Enter and process payables in Ascend.	0.3
B. Warga	2024-11-06	Updates to Second Report and Confidential Supplement; finalization of APA; calls with Taylor McCaffrey re: Court materials; correspondence to Purchaser; correspondence with interested party.	2.4
L. Demchuk	2024-11-06	Process payable; print cheque; scan support to file.	0.2
B. Warga	2024-11-07	Finalization of Second Report and Confidential Supplement for filing; correspondence with Taylor McCaffrey re: same; call with Purchaser's counsel.	2.8
J. Fritz	2024-11-07	Finalize Court reporting; appointing creditor correspondence.	0.7
J. Hue	2024-11-07	Save WEPP payment letter; update tracker.	0.1
B. Warga	2024-11-08	Finalization of Confidential Supplement; correspondence to/from Taylor McCaffrey re: same; call with M. Petrak re: Purchaser and asset removal.	2.1
J. Fritz	2024-11-08	Court reporting matters; website update; asset arrangements.	0.4
L. Demchuk	2024-11-08	Trust accounting.	0.1
B. Warga	2024-11-11	Attendance at Unit B to meet with scrap dealer.	1.0
B. Warga	2024-11-12	Attendance at Court hearing; correspondence to/from Taylor McCaffrey re: closing; call with TCL group re: Calgary premises; correspondence with C. Belanger re: same.	2.7
J. Fritz	2024-11-12	DHT post-sale correspondence.	0.2
L. Demchuk	2024-11-12	Record and process deposits; draft payment request and funds transfer request form.	0.5
B. Warga	2024-11-13	Attendance at Unit B to meet with the Purchaser; drafting of invoice and transaction closing matters; review of closing documents.	2.9
J. Fritz	2024-11-13	Correspondence with CRA re: representative access; Textile/Medical closing document finalization; correspondence with counsel.	2.3
L. Demchuk	2024-11-13	Correspondence with B Warga; banking matters; process request to transfer funds.	0.5
B. Warga	2024-11-14	Review of closing documents; call with Taylor McCaffrey re: same; call with Purchaser re: deposit; correspondence with TCL re: final walkthrough of Calgary premises.	1.4
J. Fritz	2024-11-14	Third party goods correspondence.	0.2
L. Demchuk	2024-11-14	Record transfer of funds in Ascend; correspondence with B Warga; correspondence with Versabank.	0.4



Staff	Date	Comments	Hours
B. Warga	2024-11-15	Transaction closing matters; calls with Taylor McCaffrey and Purchaser; calls with Versabank re: wire; call with M. Petrak; correspondence with interested party; Calgary premises walkthrough.	3.6
J. Fritz	2024-11-15	Downhole Technologies asset sale post-closing matters; Purchaser exit walk through; third-party asset logistics.	0.7
B. Warga	2024-11-18	Attendance on-site at Unit B re: shipping; finalization of closing documents; calls with Taylor McCaffrey re: same; correspondence to TCL re: accounting/invoices.	3.6
J. Fritz	2024-11-18	Third-party and secured creditor correspondence; sales closing matters; building matters.	0.7
L. Demchuk	2024-11-18	Draft cheque requisition; draft wire payment request; emails; process payables.	0.4
B. Warga	2024-11-19	Attendance on-site at Unit B re: removal of purchased assets; correspondence to/from interested parties.	3.3
J. Fritz	2024-11-19	Statutory (GST) filings; CRA account review re: remittances.	0.8
L. Demchuk	2024-11-19	Emails; draft payable requisition.	0.2
B. Warga	2024-11-20	Attendance onsite at PADM; correspondence to/from Taylor McCaffrey re: closing; correspondence to/from TCL re: inventory; call with interested party; review of correspondence to CWB; call with M. Petrak re: spunbond; review of CRA correspondence re: SRED.	2.4
J. Fritz	2024-11-20	DHT post-closing inventory sale review; SR&ED correspondence compilation and circulation with Management; Clarke SciTech correspondence re: tax information requests.	1.3
L. Demchuk	2024-11-20	Process payables; print cheques and scan support to file.	0.3
B. Warga	2024-11-21	Attendance at Unit B to inventory spunbond for interested party; correspondence to interested parties; drafting of invoice re: spunbond.	1.7
J. Fritz	2024-11-21	Additional PADM Medical Inc. asset sales matters; SR&ED correspondence; CRA correspondence re: SR&ED, GST, and on-line access.	2.2
B. Warga	2024-11-22	Correspondence to/from interested parties re: asset sales.	1.4
B. Warga	2024-11-25	Correspondence to/from M. Petrak re: inventory sale; call with J. Fritz re: same.	1.1
J. Fritz	2024-11-25	CRA correspondence re: GST remittance; direction to L. Demchuk; onsite attendance re: pending asset sale, staging supervision, equipment repair, and access correspondence.	2.3
L. Demchuk	2024-11-25	Emails; draft cheque requisition; record and process payable; print and scan cheque.	0.4



Staff	Date	Comments	Hours
L. Demchuk	2024-11-26	Correspondence with Versabank; record incoming wire transfer; correspondence with J. Fritz and B. Warga re: receipts to record in Ascend.	0.3
L. Demchuk	2024-11-27	Process payable; print cheque and scan support to file; draft cheque requisition and wire payment request form for processing; record payable in Ascend.	0.4
B. Warga	2024-11-28	Correspondence to/from C. Belanger and J. Fritz re: premises; correspondence with Malach re: site attendance; correspondence with Taylor McCaffrey re: lease terms.	1.1
J. Fritz	2024-11-28	Building exit matters; review of removal costs; correspondence with C. Belanger.	0.8
L. Demchuk	2024-11-28	Trust accounting.	0.1
B. Warga	2024-11-29	Call with M. Petrak re: file matters; correspondence to/from C. Belanger re: Calgary Premises; attendance on-site at Unit B to meet with Malach.	1.1
B. Warga	2024-12-02	Attendance at Unit B re: forklift return and staging of inventory.	1.1
B. Warga	2024-12-03	Attendance at Unit B re: inventory moveout; review of correspondence from landlord's legal counsel; call with Taylor McCaffrey re: same; call with C. Belanger and J. Fritz re: same.	2.3
J. Fritz	2024-12-03	Correspondence with landlord and C. Belanger re: Roswell facility matters.	0.8
B. Warga	2024-12-04	Attendance on-site at PADM; various correspondence with C. Belanger re: Calgary premises; call with Calgary landlord; call with G. Kopec re: asset removal.	2.3
J. Fritz	2024-12-04	Correspondence with Calgary facility landlord; Calgary facility vacating logistics.	1.4
B. Warga	2024-12-05	Inventory moveout matters at Unit B; review of various correspondence re: Calgary premises; correspondence with legal counsel re: same; correspondence to/from equipment suppliers.	3.4
J. Fritz	2024-12-05	Facility exit logistics correspondence and coordination; correspondence with counsel.	1.7
S. Singh	2024-12-05	Attended Calgary premises re: site clean-up, repairs, and final walkthrough.	6.0
B. Warga	2024-12-06	On-site attendance re: inventory moveout; review of correspondence re: Calgary premises exit; call with creditor.	1.7
J. Fritz	2024-12-06	Calgary facility post-exit matters (utilities, provision of keys, passcodes, etc.).	0.6
L. Fritsche	2024-12-06	Attendance to Aero Drive to drop off keys for landlord.	1.2
B. Warga	2024-12-09	Attendance on-site at Unit B; review of 246(2) reporting.	1.0
J. Fritz	2024-12-09	Finalization of 246(2) reporting; receivables review.	0.7



Staff	Date	Comments	Hours
B. Warga	2024-12-10	On-site attendance at Unit B re: inventory moveout; review of A/R correspondence.	1.8
J. Fritz	2024-12-10	Compilation and distribution of A/R collection letters.	1.5
L. Demchuk	2024-12-10	Draft cheque requisition and prepare wire payment request for processing.	0.3
B. Warga	2024-12-11	Updates to R&D; preparation of distribution R&D; correspondence re: exit of Unit B; correspondence re: deposit return.	3.2
J. Fritz	2024-12-11	Landlord correspondence re: exit of Calgary facility; Clark Sci-Tech correspondence re: SR&ED enquiries; follow-up with A. Hilland re: SR&ED; distribution R&D preparation matters.	2.1
L. Demchuk	2024-12-11	Record and process payables; process wire payment requests.	0.3
B. Warga	2024-12-12	Drafting of distribution schedule; discussion of same with J. Fritz; correspondence with interested parties; call with M. Petrak re: RST.	1.6
J. Fritz	2024-12-12	Distribution allocation matters; call and correspondence with former management re: SR&ED pending response.	0.7
B. Warga	2024-12-13	Call with M. Petrak and Clarke Scitech re: SRED refunds and CRA's assessment; discussion with interested party; review of email correspondence to Clarke Scitech.	1.2
J. Fritz	2024-12-13	Call with former management and Clarke SciTech re: SR&ED and CRA correspondence; review and compilation of SR&ED materials; Calgary facility post-exit matters.	2.4
B. Warga	2024-12-16	Attendance onsite at Unit B re: inventory moveout.	1.0
J. Fritz	2024-12-17	GST and R&D allocation compilation; G/L adjustment requests; PADM Medical asset logistics.	0.6
B. Warga	2024-12-18	Attendance on-site at Unit B re: inventory moveout; call with M. Petrak re: SRED.	1.6
J. Fritz	2024-12-18	Payable administration and correspondence; CRA correspondence re: SR&ED; third-party goods correspondence.	0.8
B. Warga	2024-12-19	Attendance on-site at Unit B re: inventory moveout; correspondence to/from landlord re: equipment on-site.	0.5



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Winnipeg, MB R3B 3K6

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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
March 5, 2025	CINV3304862 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 30,657.50
GST/HST (5%) 101518124RT0001	1,532.88
TOTAL	\$ 32,190.38

Summary of Time Charges:

	Hours	Rate	Amount
B. Warga, Partner	30.1	575.00	17,307.50
J. Fritz, Sr. Manager	26.0	475.00	12,350.00
J. Hue, Sr. Associate	0.4	300.00	120.00
L. Demchuck, Associate	4.4	200.00	880.00
Total	60.9		\$ 30,657.50

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	2024-12-20	Drafting of Third Report; correspondence to/from Malach re: equipment and invoicing; call with Clearview and e-mail correspondence re: scissor lift; review of landlord correspondence and call with Taylor McCaffrey re: same.	3.2
J. Fritz	2024-12-20	Correspondence with counsel.	0.9
L. Demchuk	2024-12-20	Print payables and scan support to file; prepare cheques to courier; correspondence with Versabank re: incoming funds; banking matters; correspondence with J. Fritz re: same.	0.8
B. Warga	2024-12-23	Attendance on-site at Unit B; call with Taylor McCaffrey re: landlord claims and file matters.	1.2
J. Fritz	2024-12-23	Call with counsel; review of landlord matters; correspondence to equipment secured creditor; asset purchase correspondence.	1.4
B. Warga	2024-12-27	Correspondence to/from Clarke SciTech re: SRED; attendance on-site at Unit B; correspondence to/from Taylor McCaffrey re: landlord matters.	1.1
J. Fritz	2024-12-27	Correspondence with counsel; SRED matters.	0.4
B. Warga	2024-12-30	Attendance on-site at Unit B to meet with Malach re: premises; correspondence to/from RBC re: R&D, invoice, and file matters; review and edits to Taylor McCaffrey correspondence to Calgary landlord; drafting of schedules for Third Report; revisions to distribution schedule.	2.8
J. Fritz	2024-12-30	Correspondence with counsel.	0.4
B. Warga	2024-12-31	Review of correspondence to/from legal counsels re: landlord matter; correspondence to/from J. Fritz re: same.	0.5
J. Fritz	2024-12-31	Review of correspondence from appointing secured creditor; correspondence with counsel.	0.8
B. Warga	2025-01-02	Attendance on site at Unit B; meeting with Malach; SRED correspondence and related tax matters.	1.8
J. Fritz	2025-01-02	SRED correspondence review and compilation of correspondence from CRA; correspondence with Clarke SciTech Law re: SRED; correspondence with counsel.	2.1
L. Demchuk	2025-01-02	Banking matters; correspondence with Versabank re: incoming wire payment; draft cheque requisition.	0.3
B. Warga	2025-01-03	Discussion with J. Fritz re: SRED; correspondence with SSD and C. Belanger re: data; review of correspondence to/from Clarke SciTech.	1.6
J. Fritz	2025-01-03	SRED matters: review of security interests; CRA assessment review; correspondence with Clarke SciTech; contractor invoice review.	1.9
L. Demchuk	2025-01-03	Record and process payable.	0.1



Staff	Date	Comments	Hours
B. Warga	2025-01-06	Correspondence to/from A. Hilland, M. Petrak, and C. Belanger re: file matters; call with Clarke SciTech re: SRED.	1.1
J. Fritz	2025-01-06	Correspondence with Clarke SciTech re: SRED; correspondence with C. Belanger re: invoice matters.	0.6
L. Demchuk	2025-01-06	Process payable; print cheque and scan support to file.	0.2
B. Warga	2025-01-07	Call with M. Petrak re: SRED and Clarke SciTech.	0.4
J. Fritz	2025-01-07	SRED correspondence to Clarke SciTech.	0.2
B. Warga	2025-01-08	Correspondence to GWMS re: forklift; call with K. Cancila re: tax filings; correspondence with M. Petrak re: SRED.	1.2
J. Fritz	2025-01-08	Outstanding data compilation review and correspondence to C. Belanger; tax and SRED matters.	0.7
B. Warga	2025-01-09	Correspondence to Greatwest Maintenance re: forklift; review of correspondence re: insurance cancellation; discussion of same with J. Fritz.	0.9
J. Fritz	2025-01-09	Correspondence with C. Belanger re: invoice clarity; insurance correspondence.	0.9
B. Warga	2025-01-10	Updates to R&D; drafting of Third Report; correspondence with M. Petrak re: SRED and Clarke SciTech; disbursements.	1.4
J. Fritz	2025-01-10	SRED correspondence with CRA and Clarke SciTech; payable compilation and payment request.	0.5
B. Warga	2025-01-13	Review of share file site; correspondence to/from J. Fritz and C. Belanger re: same; correspondence to/from M. Petrak re: SRED; call with K. Cancilla re: Roswell tax filings.	1.3
J. Fritz	2025-01-13	Deliverable review and correspondence with C. Belanger; CRA correspondence re: SRED.	0.6
L. Demchuk	2025-01-13	Draft cheque requisition.	0.1
B. Warga	2025-01-14	Call with CRA re: online access; correspondence to/from C. Belanger re: SSD data; correspondence with M. Petrak re: SRED.	1.1
J. Fritz	2025-01-14	Creditor correspondence; A/R correspondence; correspondence with CRA and Clarke SciTech re: SRED.	0.8
L. Demchuk	2025-01-14	Trust accounting.	0.1
B. Warga	2025-01-15	Correspondence to/from C. Belanger and J. Fritz re: SSD and data access; call with M. Petrak re: SSD data and SRED matters; review of correspondence re: caveat discharge request.	1.0
J. Fritz	2025-01-15	Deliverable review and correspondence to C. Belanger; caveat request review.	0.7
B. Warga	2025-01-16	Correspondence to/from M. Petrak re: SRED; correspondence to/from Gowlings re: IP.	0.7
J. Fritz	2025-01-16	Creditor enquiry and counsel correspondence; CRA correspondence.	0.3



Staff	Date	Comments	Hours
B. Warga	2025-01-17	Call with M. Petrak; correspondence to/from Clarke SciTech re: SRED arrangement; correspondence with M. Petrak re: same.	0.9
L. Demchuk	2025-01-17	Process payables.	0.2
B. Warga	2025-01-18	Correspondence to/from Clarke SciTech re: SRED.	0.5
J. Fritz	2025-01-18	Historical tax review and agreement commentary re: SRED.	0.8
B. Warga	2025-01-19	Review of engagement letter; call with Clarke SciTech re: same; correspondence to/from M. Petrak re: same.	1.2
J. Fritz	2025-01-19	Estimate of potential go-forward corporate tax liability and correspondence to B. Warga re: potential SRED refund.	0.9
B. Warga	2025-01-20	Call with Clarke SciTech to execute engagement letter; call with M. Petrak re: SRED submission.	0.5
J. Fritz	2025-01-20	Call and correspondence with Clarke SciTech re: SRED claim.	0.5
L. Demchuk	2025-01-20	Process payables; print and mail cheques; scan support to file.	0.3
B. Warga	2025-01-22	Review of correspondence re: data access and CRA/SRED matters.	0.4
J. Fritz	2025-01-22	SSD post-asset closing matters; Clarke SciTech compilation and correspondence re: SRED.	0.6
J. Fritz	2025-01-23	GST return compilation, submission, and remittance correspondence.	0.7
B. Warga	2025-01-24	Correspondence to Taylor McCaffrey re: Court hearing; review of correspondence re: tax filings; call with CRA re: SRED matters.	0.7
L. Demchuk	2025-01-24	Prepare cheque requisition; record payable for processing.	0.2
J. Hue	2025-01-27	Review and filing of WEPP claims with Service Canada.	0.4
J. Fritz	2025-01-27	Insurer correspondence re: returned premium; L. Frische correspondence re: T4 status.	0.3
L. Demchuk	2025-01-27	Banking matters; process payables; print and mail cheque; scan support to file.	0.4
B. Warga	2025-01-29	Correspondence re: caveat discharge and pension response.	0.5
J. Fritz	2025-01-29	C. Belanger correspondence re: post-Roswell building matters; pre-pack purchaser correspondence re: SRED information request clarification.	0.7
J. Fritz	2025-01-30	SRED correspondence with purchaser and former management.	0.3
L. Demchuk	2025-01-31	Trust accounting.	0.1
B. Warga	2025-02-03	Correspondence to/from Clarke SciTech re: SRED invoice; review of SRED response.	0.6
J. Fritz	2025-02-03	Correspondence to A. Hilland re: information request; CRA status review and Clarke SciTech correspondence re: SRED information.	0.4



Staff	Date	Comments	Hours
B. Warga	2025-02-04	Review of correspondence from Gowlings re: patents/trademarks; correspondence to/from Clarke SciTech re: invoice.	0.6
J. Fritz	2025-02-04	Compilation and correspondence re: SRED information requests.	0.4
B. Warga	2025-02-05	Approval of disbursements.	0.1
J. Fritz	2025-02-05	SRED information request responses.	0.4
J. Fritz	2025-02-07	Utility review and correspondence; A/R and purchaser correspondence; payables administration.	1.2
L. Demchuk	2025-02-07	Print and mail cheque; scan support to file.	0.2
L. Demchuk	2025-02-10	Draft cheque requisition; record and process payables; print and mail cheques; scan support to file.	0.3
J. Fritz	2025-02-11	Caveat request; PADM Medical sale post-closing matters.	0.4
B. Warga	2025-02-12	Correspondence to/from M. Petrak re: SRED; review of correspondence from Taylor McCaffrey re: landlord settlement; review of legal fees and repair invoices and submit for payment.	1.1
L. Demchuk	2025-02-12	Draft payable requisition; process payable; print and mail cheque; scan support to file.	0.3
J. Fritz	2025-02-13	Sale documentation correspondence; SRED documents and correspondence with Clarke SciTech; Roswell claims matters.	0.7
L. Demchuk	2025-02-14	Draft cheque requisition; record and process payable.	0.2
B. Warga	2025-02-18	Correspondence to/from Taylor McCaffrey re: landlord claim; correspondence to/from shareholders re: tax loss matters; review of correspondence from Clarke SciTech re: SRED.	0.4
L. Demchuk	2025-02-18	Print and mail cheque; scan support to file.	0.2
J. Fritz	2025-02-21	Insurance refund review and correspondence; post-exit Roswell payables.	0.8
J. Fritz	2025-02-23	GST filing.	0.6
J. Fritz	2025-02-24	Review of enquiry, supporting schedules, and correspondence to A. Hilland re: Roswell tax matters.	0.9
B. Warga	2025-02-26	Call with CRA re: Roswell SRED.	0.2
J. Fritz	2025-02-26	SRED review and correspondence; payables correspondence; PADM Medical assets post-sale correspondence.	1.7
L. Demchuk	2025-02-26	Draft cheque requisition; process payable.	0.2
B. Warga	2025-02-27	Call with M. Petrak re: shareholder correspondence and SRED matters.	0.3
J. Fritz	2025-02-28	Disbursement review and direction to L. Demchuk.	0.1
L. Demchuk	2025-02-28	Process payable; print cheque and scan support to file.	0.2



Staff	Date	Comments	Hours
B. Warga	2025-03-03	Review of correspondence to/from Taylor McCaffrey re: property damage; draft response to same.	0.8
J. Fritz	2025-03-03	Receipt processing; post-exit landlord correspondence.	0.4



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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
July 3, 2025	CINV3494427 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 24,304.50
GST/HST (5%) 101518124RT0001	<u>1,215.23</u>
TOTAL	<u>\$ 25,519.73</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Warga, Partner	13.1	575.00	7,532.50
J. Brown, Partner	0.1	575.00	57.50
J. Fritz, Sr. Manager	31.7	475.00	15,057.50
E. Miranda, Sr. Associate	2.5	305.00	762.50
Z. Klassen, Sr. Associate	0.9	305.00	274.50
L. Demchuck, Associate	<u>3.1</u>	200.00	<u>620.00</u>
Total	<u>51.4</u>		<u>\$ 24,304.50</u>

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	2025-03-04	Correspondence to/from Taylor McCaffrey re: landlord matters; updates to R&D; billing; correspondence to/from Clarke SciTech re: invoice.	1.1
L. Demchuk	2025-03-04	Prepare deposit slip; record funds direct deposited to account.	0.3
J. Fritz	2025-03-04	Creditor correspondence.	0.1
B. Warga	2025-03-05	Updates to R&D; update correspondence to RBC; drafting of Third Report.	2.4
J. Fritz	2025-03-05	Appointing creditor correspondence; CRA review; correspondence with Clarke SciTech re: SR&ED; prepack purchaser correspondence re: record enquiry.	1.3
J. Fritz	2025-03-06	Insurance refund review; disbursement correspondence.	0.3
L. Demchuk	2025-03-06	Draft cheque requisition; correspondence with J Fritz.	0.2
J. Fritz	2025-03-07	CRA progress status correspondence to Clarke SciTech; pre-pack purchaser information request.	0.4
J. Fritz	2025-03-10	Pre-pack purchaser correspondence re: SR&ED matters; Alberta Finance correspondence.	0.3
L. Demchuk	2025-03-10	Print and mail payables; scan support to file.	0.2
J. Fritz	2025-03-11	Pre-pack purchaser information request correspondence; SR&ED correspondence; C. Belanger correspondence re: data room status; PADM Medical tax matters.	1.7
B. Warga	2025-03-14	Correspondence to/from Taylor McCaffrey re: landlord settlement.	0.1
B. Warga	2025-03-17	Correspondence to/from Taylor McCaffrey re: update to BDC; preparation of landlord settlement support for payment.	0.6
J. Fritz	2025-03-17	Pre-pack purchaser correspondence re: SR&ED matters.	0.1
L. Demchuk	2025-03-17	Draft payable requisition and wire payment request form for approval.	0.2
B. Warga	2025-03-18	Cheque approvals and landlord correspondence re: settlement.	0.3
L. Demchuk	2025-03-18	Process wire payment request; correspondence with B. Warga.	0.2
B. Warga	2025-03-19	Correspondence to/from Clarke SciTech re: SRED and tax filings.	0.2
J. Fritz	2025-03-19	Correspondence with Clarke SciTech and review of CRA website re: SR&ED.	0.5
B. Warga	2025-03-21	Correspondence to/from Clarke SciTech re: SRED.	0.2
J. Fritz	2025-03-24	SR&ED correspondence with Clarke SciTech and M. Petrak; corporate tax matters; GST compilation.	2.1
B. Warga	2025-03-25	Review of CRA correspondence re: SRED filings; call with Clarke Scitech re: same; correspondence to/from M. Petrak re: data request.	0.8
J. Fritz	2025-03-25	SR&ED correspondence with Clarke SciTech.	0.5

Staff	Date	Comments	Hours
B. Warga	2025-03-26	Correspondence to/from M. Petrak and Clarke SciTech re: SRED information request.	0.3
J. Fritz	2025-03-27	Clarke SciTech correspondence re: SR&ED; CRA document retrieval.	0.3
B. Warga	2025-03-28	Review of correspondence to/from Clarke SciTech re: SRED claim.	0.2
J. Fritz	2025-04-01	Pre-pack SR&ED correspondence.	0.4
J. Fritz	2025-04-02	Interested party enquiry; review and correspondence with Management re: SR&ED and corporate tax.	0.5
J. Fritz	2025-04-04	Interested party correspondence re: corporate registration and equipment.	0.3
J. Brown	2025-04-06	Review bank reconciliation.	0.1
J. Fritz	2025-04-07	Correspondence with Management re: SR&ED information request; Health Canada Freedom of Information request correspondence.	0.4
L. Demchuk	2025-04-09	Draft payable requisition for approval.	0.1
B. Warga	2025-04-10	Call with shareholder re: tax losses.	0.3
J. Fritz	2025-04-10	SR&ED review and correspondence with Management re: 2024 potential claims.	0.7
L. Demchuk	2025-04-10	Process payable; print and mail cheque; scan support to file.	0.2
B. Warga	2025-04-15	Correspondence to/from Clarke SciTech re: SRED/CRA matters.	0.2
B. Warga	2025-04-17	Correspondence to/from Clarke SciTech re: SRED filings and CRA correspondence.	0.3
J. Fritz	2025-04-17	SR&ED correspondence to Clarke SciTech re: Roswell.	0.3
J. Fritz	2025-04-24	Pre-pack purchaser correspondence re: SR&ED.	0.3
Z. Klassen	2025-04-25	Compilation and filing of GST returns for PADM Group and PADM Medical; prepare GST/HST remittance letter.	0.4
J. Fritz	2025-04-28	SR&ED online review and correspondence with Clarke SciTech.	0.2
L. Demchuk	2025-04-29	Draft payable requisition for approval; process payables; print and mail cheques; scan support to file; correspondence with J. Fritz.	0.3
B. Warga	2025-05-01	Drafting of correspondence to secured creditor.	0.1
B. Warga	2025-05-02	E-mail correspondence to secured creditor.	0.1
J. Fritz	2025-05-02	Pension correspondence review; T. Montesano correspondence re: WEPP status.	0.3
B. Warga	2025-05-05	Correspondence to/from creditor.	0.1
B. Warga	2025-05-06	Call with OIC re: security position; call with M. Petrak re: tax filings and SRED; correspondence to/from Clarke SciTech re: SRED filings.	1.2
J. Fritz	2025-05-06	M. Petrak correspondence re: SR&ED; creditor enquiry; PADM Medical corporate tax matters.	4.1

Staff	Date	Comments	Hours
B. Warga	2025-05-07	Correspondence to/from Clarke SciTech re: SRED; discussion of tax filings with J. Fritz.	0.3
J. Fritz	2025-05-07	SR&ED CRA correspondence review; Clarke SciTech correspondence re: SR&ED; PADM Medical 2024 T2 preparation and correspondence re: filing.	4.7
B. Warga	2025-05-08	E-mail correspondence to/from A. Hilland re: account records and access.	0.2
J. Fritz	2025-05-08	SR&ED matters re: CRA document submission and correspondence with Clarke SciTech.	0.5
J. Fritz	2025-05-09	Third-party pension correspondence; creditor response.	0.3
B. Warga	2025-05-12	Review of correspondence to/from Industrial Alliance re: pensions.	0.1
J. Fritz	2025-05-12	Pension correspondence; corporate notice review and correspondence; correspondence with Clarke SciTech re: SR&ED.	0.8
L. Demchuk	2025-05-12	Draft payable requisition; record and process payable; print cheque and scan support to file.	0.3
B. Warga	2025-05-15	Review of correspondence to/from Clarke SciTech re: SRED.	0.2
Z. Klassen	2025-05-20	Compile and prepare April GST returns.	0.2
Edwinson Miranda	2025-05-21	T2 import and review.	1.5
J. Fritz	2025-05-21	Correspondence with Clarke SciTech re: SR&ED; CRA website review; CRA correspondence re: status.	0.4
B. Warga	2025-05-22	Review of 246(2) Reporting.	0.2
J. Fritz	2025-05-22	Roswell T2 review and correspondence with pre-pack purchaser; OSB statutory reporting (s. 246(2)).	2.2
B. Warga	2025-05-23	Call with Clarke SciTech re: SRED matters.	0.3
Z. Klassen	2025-05-23	File April GST for PADM Group and February-April GST for Roswell DHT.	0.1
Edwinson Miranda	2025-05-26	Diagnostic review and email to J. Fritz.	0.5
B. Warga	2025-05-28	Correspondence to/from Taylor McCaffrey re: Traveler/Coast correspondence; call with Clarke SciTech re: SRED.	0.3
B. Warga	2025-05-30	Correspondence to/from J. Fritz re: SRED filings on CRA portal.	0.2
J. Fritz	2025-05-30	CRA portal review and downloads; correspondence with Clarke SciTech re: SR&ED.	0.5
B. Warga	2025-06-02	Review of CRA correspondence re: SRED; provision of same to Clarke SciTech for review.	0.7
J. Fritz	2025-06-03	Correspondence with WCB re: refund requests.	0.6
J. Fritz	2025-06-09	Receipt of funds/ deposit.	0.4



Staff	Date	Comments	Hours
L. Demchuk	2025-06-09	Record and process deposit; correspondence with J. Fritz; save support to file.	0.2
B. Warga	2025-06-11	Correspondence to Clarke SciTech re: SRED reassessments; review of PADM Medical tax filing; discussion of same with J. Fritz.	0.4
J. Fritz	2025-06-11	PADM Medical corporate tax review and correspondence with E. Miranda re: filing amendments.	0.6
B. Warga	2025-06-12	Correspondence to/from Clarke Sci-Tech re: SRED; review of CRA re-assessments.	0.4
Edwinson Miranda	2025-06-12	Discussion with R. Girouard on PADM T2 adjustments; adjusting T2; sending for filing.	0.5
L. Demchuk	2025-06-12	Draft payable requisition for approval and processing; print and mail cheque; scan support to file.	0.3
B. Warga	2025-06-16	Correspondence to/from shareholders re: taxes; correspondence to/from Clarke SciTech re: SRED refund; correspondence to/from SSD re: signed APA.	0.8
B. Warga	2025-06-17	Correspondence to/from MLTA re: annual returns; bank deposit.	0.3
L. Demchuk	2025-06-17	Record and process payable; save support to file.	0.2
Z. Klassen	2025-06-17	Compile and file May 2025 GST return for PADM Group.	0.2
B. Warga	2025-06-24	Correspondence to/from Taylor McCaffrey re: SRED matters and file status.	0.2
J. Fritz	2025-06-24	CRA and AB Treasury correspondence review; correspondence with Clarke SciTech re: SR&ED.	0.5
L. Demchuk	2025-06-24	Draft payable requisition.	0.1
J. Fritz	2025-06-26	PADM Group tax matters.	2.1
L. Demchuk	2025-06-26	Record payable for processing.	0.1
L. Demchuk	2025-06-27	Print and mail cheque; scan support to file.	0.2
J. Fritz	2025-06-30	PADM Group corporate tax matters.	1.7
J. Fritz	2025-07-01	PADM Group corporate tax matters.	1.3



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Royal Bank of Canada
24th Floor, 335 8th Avenue SW
Calgary, Alberta
T2P 1C9

Attention: Alex Wang, Senior Manager, Special Loans and Advisory Services

Date	Invoice
October 2, 2025	CINV3622491 CUS0082967

Re: PADM Group Inc. - In Receivership

For work performed in accordance with the Court Appointed Receivership proceedings in the above noted matter.

Our Fee	\$ 29,377.00
GST/HST (5%) 101518124RT0001	<u>1,468.85</u>
TOTAL	<u>\$ 30,845.85</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
B. Warga, Partner	14.4	575.00	8,280.00
J. Fritz, Sr. Manager	41.4	475.00	19,665.00
E. Miranda, Sr. Associate	1.3	305.00	396.50
Z. Klassen, Sr. Associate	1.1	305.00	335.50
L. Demchuck, Associate	3.5	200.00	700.00
Total	<u>61.7</u>		<u>\$ 29,377.00</u>

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
J. Fritz	2025-07-02	Corporate tax matters.	2.5
B. Warga	2025-07-03	Review of SR&ED support and refund; discussion of tax filing with J. Fritz.	0.4
J. Fritz	2025-07-03	Deposit processing; review of corporate tax notice of assessment.	0.9
L. Demchuk	2025-07-03	Record and process deposits.	0.2
B. Warga	2025-07-07	Correspondence to/from MLTA and 15988977 Canada Inc. re: annual corporate filings.	0.5
B. Warga	2025-07-08	Correspondence to/from SSD re: trademarks; review of APA.	0.2
L. Demchuk	2025-07-08	Record and process deposit.	0.1
B. Warga	2025-07-09	Updates to Third Report; correspondence to/from Taylor McCaffrey re: reporting matters and security opinion.	0.6
J. Fritz	2025-07-09	CRA correspondence compilation; Clarke SciTech correspondence re: SR&ED.	0.4
J. Fritz	2025-07-14	PADM Group corporate tax preparation; payables request.	3.6
B. Warga	2025-07-15	Call with Taylor McCaffrey re: security opinion, residual file matters, and discharge; discussion of tax filings with J. Fritz.	0.5
J. Fritz	2025-07-15	Corporate tax compilation; correspondence with counsel.	4.1
L. Demchuk	2025-07-15	Draft payable requisition and record disbursement in Ascend; process payable; print and mail cheque; scan support to file.	0.3
B. Warga	2025-07-16	Review and discussion with J. Fritz re: CRA SR&ED assessments; review of T2 and related correspondence.	0.9
J. Fritz	2025-07-16	Corporate tax finalization for filing; prepack purchaser correspondence re: taxes; SR&ED review and analysis.	5.7
B. Warga	2025-07-17	Review of SR&ED allocation schedule re: Clarke SciTech; edits to e-mail correspondence re: same.	0.4
J. Fritz	2025-07-17	Roswell corporate tax review; correspondence with prepack purchaser re: Roswell corporate tax; Clarke Scitech correspondence re: SR&ED.	1.8
J. Fritz	2025-07-18	Corporate tax and SR&ED correspondence.	0.3
B. Warga	2025-07-21	Review of correspondence to/from Purchaser re: SRE&D claim approval (Roswell).	0.2
J. Fritz	2025-07-21	SR&ED matters re: prepack Purchaser request.	0.2
Z. Klassen	2025-07-21	Compile and file June 2025 GST return for PADM Group; compile and file April-June 2025 GST returns for PADM Medical.	0.3
B. Warga	2025-07-22	Review of various tax filings and correspondence; draft correspondence to Taylor McCaffrey re: file status.	0.5
E. Miranda	2025-07-22	T2 import and review of PADM Group Inc.; reviewing trial balances; emailing J. Fritz regarding questions.	1.3

Staff	Date	Comments	Hours
J. Fritz	2025-07-22	T2 review re: Roswell; correspondence with E. Miranda re: PADM Group T2; PADM Group T2 review and table compilation.	2.2
B. Warga	2025-07-23	Review of Roswell tax return and associated correspondence.	0.3
J. Fritz	2025-07-23	Roswell T2 correspondence; GST matters.	0.3
L. Demchuk	2025-07-23	Banking matters.	0.1
B. Warga	2025-07-24	Review of correspondence to/from Clarke SciTech re: SR&ED; review of correspondence from Taylor McCaffrey re: file update; review of tax correspondence.	0.3
J. Fritz	2025-07-24	CRA correspondence re: refund calculation; SR&ED fee calculation and request; Roswell SR&ED CRA submission; Roswell May 2024 return review and correspondence to prepack Purchaser re: clarification items.	1.9
J. Fritz	2025-07-25	Correspondence with E. Miranda re: PADM Group T2 update for filing.	0.2
J. Fritz	2025-07-28	SR&ED and corporate tax correspondence.	0.4
L. Demchuk	2025-07-28	Draft payable requisition; correspondence with J. Fritz; draft and process wire payment request form.	0.3
B. Warga	2025-07-29	Review of correspondence from MLTA re: annual corporate filings for PADM Group; completion of same; review of tax correspondence.	0.5
J. Fritz	2025-07-29	Roswell T2 preliminary review and information requests; PADM Group Inc. corporate registration document update and correspondence.	1.0
B. Warga	2025-07-31	Updates to R&D; update correspondence to RBC; review and updates to tax correspondence to/from Purchaser.	0.9
J. Fritz	2025-07-31	Roswell tax matters; purchased SR&ED review and correspondence to prepack Purchaser; secured creditor update.	2.6
L. Demchuk	2025-07-31	Post wire payment in Ascend.	0.1
B. Warga	2025-08-01	Update correspondence to RBC.	0.1
B. Warga	2025-08-05	Review of correspondence re: annual return matters.	0.1
J. Fritz	2025-08-05	Corporate registration correspondence.	0.4
B. Warga	2025-08-11	Updates to R&D and proposed distribution schedule; correspondence to Taylor McCaffrey re: interested party correspondence.	1.6
J. Fritz	2025-08-11	R&D and distribution allocation; GST review and confirmation of refund balance; banking matters.	1.5
L. Demchuk	2025-08-11	Record and process deposit.	0.2
B. Warga	2025-08-12	Correspondence to/from Taylor McCaffrey re: security opinion and proposed priority distributions.	0.4



Staff	Date	Comments	Hours
B. Warga	2025-08-13	Correspondence to/from RBC re: file matters; disbursement approvals.	0.2
L. Demchuk	2025-08-13	Draft payable requisition; record and process payables; print and mail cheques; scan support to file.	0.4
J. Fritz	2025-08-14	Corporate tax matters; review of notices of assessment, status of accounts, and refunds; correspondence with Clark SciTech and Purchaser re: refund status.	3.3
B. Warga	2025-08-15	Review of correspondence re: tax refunds and transfer payments; call and e-mail correspondence to former employee re: WEPP.	0.7
J. Fritz	2025-08-15	Correspondence with 15988977 Canada Inc. re: SR&ED credits and tax matters; review of CRA online accounts re: carbon tax and GST refunds.	0.8
B. Warga	2025-08-18	Roswell GST deposit.	0.2
L. Demchuk	2025-08-18	Record and process deposit.	0.2
Z. Klassen	2025-08-19	Prepare and file PADM Group July 2025 GST return; prepare and file Roswell DHT May-July 2025 GST returns.	0.4
L. Demchuk	2025-08-20	Draft payable requisition; record and process payable.	0.2
L. Demchuk	2025-08-22	Print and mail cheque; scan support to file.	0.2
J. Fritz	2025-08-25	Corporate tax correspondence and CRA portal review.	0.3
J. Fritz	2025-08-27	Corporate tax file review; prepack Purchaser and counsel correspondence re: purchased SR&ED credits; CRA portal review.	0.8
B. Warga	2025-08-28	Correspondence with Taylor McCaffrey re: legal opinion.	0.1
B. Warga	2025-08-29	Call with Taylor McCaffrey re: security opinion.	0.7
J. Fritz	2025-08-29	Correspondence with counsel.	0.7
J. Fritz	2025-09-03	Shareholder enquiry.	0.3
J. Fritz	2025-09-09	Correspondence with Clarke SciTech re: SR&ED; review of online CRA account and correspondence with CRA re: refund status.	0.7
J. Fritz	2025-09-15	Compilation of data and correspondence with Clarke SciTech Law re: SR&ED.	0.6
L. Demchuk	2025-09-15	Draft payable requisition; record payables for processing; print and mail cheque; scan support to file.	0.3
J. Fritz	2025-09-16	Clarke SciTech correspondence re: SR&ED information; CRA correspondence re: pending refunds.	0.4
L. Demchuk	2025-09-18	Banking matters; save support to file.	0.1
J. Fritz	2025-09-19	Clarke SciTech data compilation and correspondence re: SR&ED.	0.3
Z. Klassen	2025-09-19	Compile August 2025 GST return for PADM Group Inc., PADM Medical Inc., and Roswell DHT.	0.3



Staff	Date	Comments	Hours
B. Warga	2025-09-20	Review of security opinion; correspondence to/from Taylor McCaffrey re: same.	0.8
B. Warga	2025-09-22	Review of correspondence to/from Clarke SciTech re: SR&ED matters.	0.2
J. Fritz	2025-09-22	CRA account review; Clarke SciTech correspondence; document submission re: SR&ED.	1.0
Z. Klassen	2025-09-22	File August 2025 GST return.	0.1
J. Fritz	2025-09-23	Compilation of data and correspondence with Clarke SciTech Law re: SR&ED.	0.4
J. Fritz	2025-09-24	Compilation of information and correspondence with Clarke SciTech Law re: SR&ED.	0.3
J. Fritz	2025-09-25	Clarke SciTech correspondence re: SR&ED matters.	0.3
L. Demchuk	2025-09-25	Record receipts and generate deposit slip.	0.1
B. Warga	2025-09-26	Updates to R&D; updates to Third Report; disbursement requests.	3.1
L. Demchuk	2025-09-26	Save banking support to file; draft payable requisition for approval and record payable in Ascend.	0.3
J. Fritz	2025-09-29	Correspondence with Clarke SciTech Law re: SR&ED filings; CRA online account and correspondence re: refund.	1.2
L. Demchuk	2025-09-29	Process payable in Ascend; correspondence with B. Warga re: wire payment request; draft payable requisition.	0.4

Appendix F – Fees and Disbursements of Taylor McCaffrey LLP

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

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
TAYLOR MCCAFFREY LLP**

Date	Invoice #	Fees	Disbursements	GST	PST	Total	Hours
03-Jun-24	703732	\$ 63,679	\$ 493	\$ 3,200	\$ 4,458	\$ 71,830	187.5
18-Jul-24	706587	22,855	359	1,155	1,600	25,969	79.9
22-Aug-24	708410	17,789	89	894	1,245	20,017	82.6
09-Sep-24	709393	8,631	2	432	604	9,668	26.6
04-Nov-24	713225	43,418	220	2,174	3,039	48,852	167.1
13-Jan-25	717995	31,574	248	1,584	2,210	35,615	132.4
11-Feb-25	719883	1,671	5	84	117	1,877	6.3
14-Mar-25	721596	462	-	23	32	517	1.5
21-Apr-25	723737	918	4	46	64	1,032	2.7
13-Jun-25	727120	449	-	22	31	502	1.2
22-Jul-25	729501	475	-	24	33	531	1.3
26-Aug-25	731874	1,809	-	90	127	2,026	5.1
12-Nov-25	3827	22,525	-	1,126	1,577	25,228	69.1
Total		\$ 216,251	\$ 1,420	\$ 10,855	\$ 15,138	\$ 243,664	763.3

Appendix G – Fees and Disbursements of Gowling WLG

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

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
GOWLING WLG**

Date	Invoice #	Fees	Disbursements	GST	PST	Total	Hours
30-Jun-24	20302352	\$ 3,384	\$ 57	\$ 171	\$ -	\$ 3,612	4.7
Total		\$ 3,384	\$ 57	\$ 171	\$ -	\$ 3,612	4.7

Appendix H – Fees and Disbursements of Clarke SciTech Law LLP

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

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
CLARKE SCITECH LAW LLP**

Date	Invoice #	Fees	Disbursements	GST	PST	Total	Hours
27-Jan-25	122	\$ 10,000	\$ -	\$ 500	\$ -	\$ 10,500	25.4
28-Jul-25	SRED Contingency Agreement - PADM Medical	55,415	-	2,771	-	58,185	N/A
01-Oct-25	SRED Contingency Agreement - PADM Group	4,125	-	206	-	4,331	N/A
Total		\$ 69,540	\$ -	\$ 3,477	\$ -	\$ 73,016	25.4

Appendix I – Fees and Disbursements of MLT Aikins LLP

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

**SUMMARY OF LEGAL FEES AND DISBURSEMENTS
MLT AIKINS LLP**

Date	Invoice #	Fees	Disbursements	GST	PST	Total	Hours
06-Aug-25	6587724	\$ 425	\$ 154	\$ 21	\$ 30	\$ 630	1.0
Total		\$ 425	\$ 154	\$ 21	\$ 30	\$ 630	1.0

Appendix J – Statement of Receipts and Disbursements for the period May 23, 2024 to November 17, 2025

PADM GROUP INC., PADM MEDICAL INC., AND ROSWELL DOWNHOLE TECHNOLOGIES INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
for the period May 23, 2024 to November 17, 2025

	<u>Amount</u>	<u>Notes</u>
Receipts		
Cash on hand	\$ 75,293	
Accounts Receivable	17,036	
Carbon Tax Rebate	61,575	
GST/HST Collected	47,883	
GST Refund	165,350	
Insurance Refunds	21,111	
Interest	49,992	
Recycling and Miscellaneous Receipts	2,246	
Sale of Assets (includes net pre-pack proceeds)	2,127,391	
Pre-Pack	1,320,876	
Other Sales	43,356	
Non-Refundable Deposit (Diamond Bar C Syndicate Ltd.)	100,000	
TCL Asset Group	326,409	
SSD	279,750	
Novoshield	30,000	
Priority Electronics Ltd.	27,000	
SRED Refunds	478,719	(1)
WCB Refunds	14,214	
Total Receipts	3,060,810	
Disbursements		
Contractors	216,186	(2)
Equipment Rental	3,968	
Filing Fees	241	
GST Paid on Disbursements	8,308	
GST Paid on Legal Fees and Disbursements	14,524	
GST Paid on Receiver Fees and Disbursements	22,038	
GST Remittances	25,546	
Insurance	83,445	
IT Support and Accounting Services	10,266	
Legal Fees and Disbursements	291,230	(3)
Patent Renewal	2,199	
PST Paid on Disbursements	989	
PST Paid on Legal Fees and Disbursements	15,168	
Receiver Fees and Disbursements	440,767	(4)
Redemption of Security	36,646	
Rent	240,540	(5)
Repayment of Receiver's Borrowings - Interest	19,377	
Site Clean Up	32,867	
Utilities	43,341	
Total Disbursements	1,507,649	
Excess of Receipts over Disbursements as at November 17, 2025	\$ 1,553,161	

Notes:

- (1) \$9,742.62 of the SRED Refund was paid to 15988977 Canada Inc. as it was part of the Pre-Pack Transaction.
- (2) Excludes unpaid contractor fees for the period October 14, 2024 to October 28, 2024 of \$4,922.
- (3) Excludes fees and disbursements of Taylor McCaffrey LLP subsequent to November 5, 2025.
- (4) Excludes fees and disbursements of the Receiver subsequent to September 30, 2025.
- (5) Rent for Aero Drive in Calgary and Buffalo Place in Winnipeg to December 5, 2024.