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CANADA **S U P E R I O R C O U R T**

PROVINCE OF QUÉBEC **Commercial Division**

DISTRICT OF MONTRÉAL

COURT N^{O}: 500-11-066105-251

ESTATE NUMBER: 41-345257

IN THE MATTER OF THE RECEIVERSHIP OF: **CANADOIL FORGE LTD.**

Debtor

-and-

FTI CONSULTING CANADA INC.

Receiver

SIXTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS RECEIVER

INTRODUCTION

1. Canadoil Forge Ltd (“**Canadoil**”) operates in the sector of manufacturing and supply of customized steel pipes and fittings, with its primary markets being located in the United States and Canada.

2. CFC Canadoil, Inc. (“**CFC**”) is an entity related to Canadoil whose primary purpose is to serve as a liaison between Canadoil, a Canadian-based company, and its clients in the United States.

3. On August 17, 2025, Royal Bank of Canada (“**RBC**”) filed a motion (“**First RBC Motion**”) for the issuance of an interim receivership order in respect of Canadoil and CFC and the appointment of FTI Consulting Canada Inc. (“**FTI**”) as interim receiver. The First RBC Motion was dismissed by the Court, notably on the grounds that it was presented on an *ex parte* basis.

4. On August 21, 2025, RBC filed a second motion (“**Second RBC Motion**”) for the issuance of an interim receivership order in respect of Canadoil.

5. On August 27, 2025, Fiera Private Debt Fund VI LP and Fiera Private Debt Fund VII LP (collectively, "**Fiera**") filed a motion for the issuance of an interim receivership order in respect of Canadoil and the appointment of Raymond Chabot Inc. as interim receiver ("**Fiera Motion**").

6. On August 29, 2025, as a result of the Second RBC Motion and the Fiera Motion, the Québec Superior Court (Commercial Division) (the "**Court**") issued an order (the "**Interim Receivership Order**") appointing FTI (in this capacity, the "**Interim Receiver**") as interim receiver of Canadoil.

7. On September 4, 2025, a motion for approval of an interim financing was filed by Fiera (the "**Interim Financing Motion**").

8. On September 9, 2025, the Court issued an order authorizing the interim financing sought by Fiera.

9. On September 23, 2025, Fiera filed an application for the appointment of Raymond Chabot Inc. as receiver over all Canadoil's property (the "**Initial Receivership Application**").

10. On September 26, 2025, the Court dismissed the Initial Receivership Application.

11. On September 26, 2025, Fiera filed an application for the extension of the interim receivership up to October 29, 2025 (the "**Extension Application**").

12. On September 29, 2025, the Court extended the Interim Receivership Order, but only up to October 14, 2025.

13. On October 9, 2025, Fiera filed a second receivership application, this time for the appointment of FTI as receiver over all of Canadoil's property (the "**Second Receivership Application**").

14. On October 15, 2025, pursuant to the Second Receivership Application, the Court issued an order (the "**Receivership Order**") appointing FTI as receiver of Canadoil (in this capacity, the "**Receiver**").

15. On February 20, 2026, the Receiver filed an application for the issuance of approval and vesting orders and an order confirming the taxation of accounts and the discharge of FTI as interim receiver of Canadoil (the "**Receiver's Application**").

16. On February 26, 2026, the Court issued three orders, namely (i) an Approval and Vesting Order regarding the transaction with NMG Bécancour Inc., (ii) an Approval and Vesting Order regarding the transaction with Canadoil Fittings Inc. ((i) and (ii), collectively, the "**Approval and Vesting Orders**") and (iii) an order confirming the taxation of accounts and the discharge of FTI as interim receiver.

17. This sixth report of the Receiver (the "**Sixth Report**") is filed in support of the Receiver's *Application for the Issuance of an Interim Distribution Order* (the "**Interim Distribution Application**"). The purpose of this Sixth Report is to update the Court with respect to:

    a) the Receiver's activities since the issuance of the Fifth Report;

    b) the cash flow results for the period ended on July 10, 2026;

c) the proposed interim distribution to Fiera;

d) the upcoming measures of the Receiver; and

e) the Receiver's observations and recommendations with respect to the relief sought pursuant to the Interim Distribution Application.

18. The Sixth Report should be read in conjunction with the Interim Receiver's Report dated August 27, 2025, the Second Report dated September 4, 2025, the Third Report dated September 25, 2025, the Fourth Report dated October 9, 2025, and the Fifth Report dated February 20, 2026, all of which have been filed in the Court record and are available on the Receiver's website.

TERMS OF REFERENCE

19. Unless otherwise indicated, all cash amounts referred to herein are expressed in Canadian dollars.

20. Capitalized terms that are not otherwise defined herein shall have the meaning ascribed to them in the Second RBC Motion, the Fiera Motion, the Interim Financing Motion, the Initial Receivership Application, the Extension Application, the Second Receivership Application, the Receiver's Application and the Interim Distribution Application.

ACTIVITIES OF THE RECEIVER SINCE THE ISSUANCE OF THE FIFTH REPORT

21. Since the issuance of the Fifth Report, the Receiver has performed the following tasks:

a) Held several discussions with RBC's legal counsel regarding the issuance of subpoenas to various parties to obtain documents and/or conduct examinations;

b) Continued analyzing the data obtained from the Debtor's and CFC's books and records and from certain former employees' email accounts;

c) Conducted recurring site visits at Canadoil's premises, with the assistance of a former employee, to safeguard Canadoil's assets pending the completion of their sale on March 20, 2026;

d) On February 23, 2026, paid the remaining amounts owed to employees pursuant to section 81.4 of the BIA;

e) On February 27, 2026, registered the employees under the Wage Earner Protection Program ("**WEPP**");

f) On March 3, 2026, sent employees an instruction letter, together with proof of registration under the WEPP;

g) Paid the municipal taxes owed to the City of Bécancour in respect of the immovable properties located at 5500 Marie-Louise-Levasseur Boulevard and 805 Alphonse-Deshaies Boulevard (the "**Properties**");

h) Paid the school taxes owed to the Centre de services scolaires de la Riveraine in respect of the Properties;

i) Transferred responsibility for the Hydro-Québec and Énergir accounts to the respective purchasers;

j) Following the sale of the Debtor's assets, proceeded with the cancellation of the various insurance policies covering Canadoil's assets;

k) On March 24, 2026, repaid the principal and interest of the interim financing and made an initial interim distribution to Fiera in the amount of $4,701,279;

l) Reviewed the property claim filed by Revenu Quebec with respect to its alleged deemed trust.

22. At this stage, it cannot be excluded that further examinations may be required by FTI, in its capacity as Receiver, or by RBC and/or Fiera, as applicable, following the review and analysis of the information collected by the Interim Receiver regarding Canadoil's and CFC's operations during the Interim Receiver's mandate, in order to determine whether any misrepresentations were made to Fiera and/or RBC.

CASH FLOW RESULTS FOR THE PERIOD ENDED ON JULY 10, 2026

Canadoil Forge Ltd Statement of receipts and disbursements	For the period from October 15, 2025 to July 10, 2026			Total
	$	$		$
	RBC	**Fiera**	**SISP**	
Receipts				
Advances from Fiera	-	1,022,303	-	1,022,303
Advances from Royal Bank of Canada	26,489	-	-	26,489
Cash on hand of the Interim Receiver - RBC	109,717	-	-	109,717
Cash on hand of the Interim Receiver - Fiera	-	23,059	-	23,059
GST/QST Collected	-	641	-	641
Sales of Assets	50,000	-	18,620,000	18,670,000
Other deposits	414,067	4,284	-	418,351
GST/QST Reimbursement	-	1,829	-	1,829
Account Transfer	-	133,764	(133,764)	-
Total receipts	**600,273**	**1,185,880**	**18,486,236**	**20,272,389**
Disbursements				
Consultant (former employees)	-	29,243	-	29,243
Energy	-	262,738	-	262,738
Insurance	-	165,279	-	165,279
Professional fees - Receivership	-	518,771	447,473	966,244
Professional fees - Investigation	17,850	-	-	17,850
Conservative measures, inventory and appraisal	-	83,420	-	83,420
Employees priority claim (81.4)	179,521	-	-	179,521
Municipal and School Taxes	-	-	388,768	388,768
Interim Financing (Principal and Interest)	-	-	145,952	145,952
GST/QST Paid	2,542	124,436	66,779	193,757
Other disbursements	487	1,993	25	2,505
Deemed Trusts	-	-	2,486,932	2,486,932
Unpaid Pension Plan (81.6)	-	-	56,160	56,160
General Provision	-	-	237,868	237,868
Distribution	-	-	4,701,279	4,701,279
Transfer to the Trustee	-	-	30,000	30,000
Total disbursements	**200,400**	**1,185,880**	**8,561,236**	**9,947,516**
Net cash variance	**399,873**	**-**	**9,925,000**	**10,324,873**
Cash balance at beginning	-	-	-	-
Cash balance at end	**399,873**	**-**	**9,925,000**	**10,324,873**

Notes

Advances from Fiera: Represents the advances provided by Fiera to enable the Receiver to pay the expenses related to the Debtor's property as well as the Receiver's professional fees.

Advances from RBC: Represents the advances provided by RBC to cover the Receiver's professional fees incurred in connection with the investigation.

Sales of Assets: Represents the proceeds generated from the sale of Canadoil's assets to Canadoil Fittings Inc. and NMG Bécancour Inc.

Other Deposits: Essentially represents an amount received from the federal government after the issuance of the Receivership Order in connection with a grant.

Consultant (former employees): Represents fees paid by the Receiver to former employees for work performed in connection with the receivership.

Insurance: Relates to building and equipment insurance premiums.

Professional Fees - Receivership: Represents fees incurred for services provided by FTI, in its capacity as Receiver, and by Norton Rose Fulbright, as the Receiver's legal counsel, for the period from October 15, 2025 to May 31, 2026, as well as fees incurred by Miller Thomson for providing documents related to the insurance claim.

Professional Fees – Investigation: Represents fees incurred for the services rendered by FTI until December 31, 2025, in connection with the investigation.

Conservatory Measures: Corresponds to amounts paid for property maintenance, asset inventory, and the return of third-party property.

Employees' Priority Claim: Represents the amount paid to employees pursuant to section 81.4 of the BIA.

Municipal and School Taxes: Represents the municipal and school taxes paid for the Properties;

Deemed Trust: Represents a provision for the amount owed to Revenu Québec ("**RQ**") with respect to employee source deductions ($508,743.95). We also included a provision for the amount claimed by the Canada Revenue Agency ("**CRA**") with respect to employee source deductions, which is still subject to the Receiver's review.

Unpaid Pension Plan: Represents a provision for the amount deducted from the employees' pay but not remitted by Canadoil pursuant to section 81.6 of the BIA.

General Provision: Represents a provision to cover forecasted professional fees for the period between June 1, 2026, and the end of the receivership.

Distribution: Represents the first interim distribution paid to Fiera as authorized by the Court.

Transfer to the Trustee: Represents an amount to cover the Trustee's fees and disbursements with respect to Canadoil's bankruptcy.

PROPOSED DISTRIBUTION

23. The Receiver is seeking the Court's authorization to distribute a partial amount of $9.925 million (the "**Second Interim Distribution**") from the funds held by the Receiver resulting from the transaction with Canadoil Fittings Inc. and NMG Bécancour Inc. (the "**Transactions**") to Fiera, in partial payment of amounts owing to Fiera.

24. As of July 10, 2026, Canadoil owed Fiera an amount of approximately $28 million under various credit agreements, subject to adjustment, interest and fees.

25. The Receiver is seeking the Court's authorization to distribute to RQ an amount of $508,743.95 with respect to its deemed trust claim.

26. The Receiver is also seeking the Court's authorization to distribute an aggregate amount of $56,159.99 to (i) Fonds de Solidarité FTQ ($13,950.35) and (ii) Industrielle Alliance ($42,209.64), which represents the amount deducted from the employees' pay with respect to their RRSP contributions (priority claim under section 81.6 of the BIA).

27. The Receiver will retain sufficient funds to satisfy obligations relating, among other things, to (i) the Administration Charge, and (ii) the estimated amount claimed by CRA in respect of deemed trusts claims.

28. On July 16, 2026, the Receiver, in its capacity as receiver of the Debtor, and Électricité & Contrôle J. Labonté Inc. reached a settlement concerning the construction legal hypothec. The Receiver is now seeking the Court's authorization to make payment in accordance with the terms of the settlement agreement.

UPCOMING MEASURES OF THE RECEIVER

29. It is anticipated that the next steps for the receivership are as follows:

    a) Review the deemed trust claims from the CRA, obtain additional information to support such claims (if applicable) and proceed with the payment of same once approved by the Receiver;

    b) Continue reviewing and analyzing the data obtained by the Receiver in order to identify reviewable transactions and/or potential misrepresentations; and

    c) Seek the Court's authorization to proceed with a final distribution and the discharge of the Receiver.

THE RECEIVER'S OBSERVATIONS AND RECOMMENDATIONS WITH RESPECT TO THE RELIEF SOUGHT

30. In light of the foregoing, the Receiver respectfully recommends that the Court grant the Interim Distribution Application.

Dated in Montreal, this 21st day of July 2026.

FTI CONSULTING CANADA INC.
Licensed Insolvency Trustee

Martin Franco, CPA, CIRP, LIT
Senior Managing Director

FTI CONSULTING CANADA INC.
Licensed Insolvency Trustee

Patrick Fillion, CPA
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