FTI Consulting Canada Inc.
1000, Sherbrooke West Street
Suite 915
Montréal QC H3A 3G4
Canada

Phone : 514.446.5093
www.fticonsulting.com

CANADA

PROVINCE OF QUÉBEC

DISTRICT OF MONTRÉAL

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

ESTATE NUMBER : 41-345243

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

Commercial Division

IN THE MATTER OF THE INTERIM RECEIVERSHIP OF:

Canadoil Forge Ltd, a legal person having an address at 3700-1000 De La Gauchetière West Street, Montréal, Québec, H3B 4W5 Canada.

The Debtor

-and-

FTI CONSULTING CANADA INC.
(Martin Franco, CPA, CIRP, LIT, authorized representative)
domiciled for the purpose hereof at 1000, Sherbrooke West Street, Suite 915, Montréal, Québec, H3A 3G4.

Interim Receiver

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

INTRODUCTION

1. Canadoil Forge Ltd ("**Canadoil**") operates in the manufacture and supply of customized steel pipes and fittings, with its primary market located in the United States and Canada.

2. The primary purpose of CFC Canadoil, Inc. ("**CFC**"), a related entity, 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. as interim receiver. The First RBC Motion was dismissed by the Court on the ground 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.

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

6. On August 29, 2025, the Québec Superior Court (Commercial Division) (the "**Court**") issued an order (the "**Interim Receivership Order**") appointing FTI Consulting Canada Inc. ("**FTI**" or 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**"). On the same date, FTI submitted to the Court, in its capacity as interim receiver, the second report of the Interim Receiver to support the Interim Financing Motion (the "**Second report**").

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

9. On September 23, 2025, Fiera filed a motion for the appointment of Raymond Chabot Inc. ("**RCI**") as receiver over all of Canadoil's property.

10. The purpose of the third report of the Interim Receiver (the "**Third report**") is to update the Court with respect to:

    a) The Interim Receiver's activities since the issuance of the Second report;
    b) The cash flow results for the period ended on September 24, 2025.

11. The Third report should be read in conjunction with the Proposed Interim Receiver's report dated August 27, 2025, and the Second report.

TERMS OF REFERENCE

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

13. Capitalized terms that are not otherwise defined herein have the meaning given to them in the Second RBC Motion, the Fiera Motion and the Interim Financing Motion.

ACTIVITIES OF THE INTERIM RECEIVER SINCE THE ISSUANCE OF THE SECOND REPORT

14. Since the issuance of the Second report, FTI performed the following tasks:

    a) Held several discussions with RBC's legal counsel to be in a position to issue subpoenas to various parties to obtain various documents and/or conduct examinations;

    b) Paid the building and equipment insurance premiums;

    c) Performed recurring site visits of the Canadoil's premises with the help of a former employee to safeguard the assets;

    d) Secured and made a copy of CFC and Canadoil's records, including a forensic copy of all servers, in accordance with its powers under the Interim Receivership Order;

    e) Obtained a copy of the audit file of Canadoil for the financial years ended January 31, 2024, and January 31, 2025, from the external auditor of the corporation; and

    f) Conducted, on September 15 and 16, 2025, the examination of Mr. Giacomo Sozzi with RBC's and Fiera's legal counsel.

15. As of the date of this Third report, FTI is continuing its review and analysis of the significant amount of information which it has collected and intends to continue to do so, albeit in its capacity as a consultant to RBC once it ceases to act in its capacity as interim receiver.

16. While FTI has received a copy of the transcript from the examination of Mr. Giacomo Sozzi, a number of undertakings were subscribed during the examination and remain to be received and analyzed. FTI understands that Mr. Giacomo Sozzi and his counsel are currently working on a response to the undertakings.

17. At this time, it cannot be excluded that additional examinations may need to be conducted either by RCI, in its capacity as receiver, as the case may be, or by RBC and Fiera further to the review and analysis of the information collected by FTI in the course of its mandate as well as the undertakings to be received from Mr. Giacomo Sozzi.

CASH FLOW RESULTS FOR THE PERIOD ENDED ON SEPTEMBER 24, 2025

Canadoil Forge Ltd	**For the period ended on September 24, 2025**		**Total**
	RBC	**Fiera**	
Receipts			
Accounts receivable	152,538	-	152,538
Interim financing	-	100,000	100,000
Other deposits	1,912	-	1,912
Total receipts	**154,450**	**100,000**	**254,450**
Disbursements			
Consultant fees	2,449	3,168	5,617
Insurance	-	73,010	73,010
Bank fees	-	15	15
Professional fees	40,582	-	40,582
Total disbursements	**43,031**	**76,193**	**119,224**
Net cash variance	**111,419**	**23,807**	**135,226**
Cash balance at beginning	-	-	-
Cash balance at end	**111,419**	**23,807**	**135,226**

Notes

Accounts receivable: corresponds to the collection of invoices due from a client.

Interim financing: corresponds to the interim financing received from Fiera following the issuance of the Interim Receiver's certificate dated September 9, 2025.

Other deposits: corresponds to cheques received by the Interim Receiver from the CNESST.

Consultant fees: corresponds to fees paid by the Interim Receiver to former employees for work performed in connection with the interim receivership.

Insurance: correspond to the building and equipment insurance premium.

Professional fees: corresponds to the services rendered by FTI Consulting Canada Inc. in its capacity as interim receiver for the period from August 29 to September 14, 2025, and related to the RBC Property.

The Interim Receiver respectfully submits to the Court its Third report.

Dated in Montreal, this 25th day of September 2025.

FTI CONSULTING CANADA INC.
Licensed Insolvency Trustee

Patrick Fillion, CPA,
Managing Director

FTI CONSULTING CANADA INC.
Licensed Insolvency Trustee

Martin Franco, CPA, CIRP, LIT
Senior Managing Director