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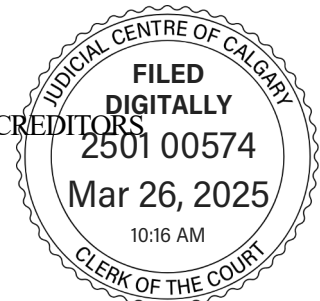
COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF WESTPHALIA DEV. CORP.

DOCUMENT

THIRD REPORT OF FTI CONSULTING CANADA INC., IN ITS
CAPACITY AS MONITOR OF WESTPHALIA DEV. CORP.

March 26, 2025

ADDRESS FOR SERVICE AND
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THIRD REPORT OF THE MONITOR

Table of Contents

INTRODUCTION.....	1
PURPOSE.....	2
TERMS OF REFERENCE	3
CLAIMS PROCESS	4
THE PLAN AND MEETING ORDER.....	4
CREDITORS' MEETING	6
PLAN IMPLEMENTATION	8
PLAN RELEASES.....	11
TERMINATION OF THE CCAA PROCEEDINGS	12
MONITOR AND MONITOR'S COUNSEL'S FEES	14
CONCLUSIONS AND RECOMMENDATIONS.....	15

INTRODUCTION

1. On January 14, 2025, Westphalia Dev. Corp. (“**WDC**” or the “**Applicant**”) was granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Initial Order established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicant until January 24, 2025, and appointed FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”).
3. On January 23, 2025, the Court granted the following orders:
 - a. an amended and restated Initial Order (the “**ARIO**”):
 - i. approving an interim financing commitment letter (the “**Interim Financing Agreement**”) between the Applicant as borrower (in such capacity, the “**Borrower**”) and Walton Global Investments Ltd. (“**WGIL**”) as lender (in such capacity, the “**Interim Lender**”), pursuant to which the Interim Lender will make funds available to the Borrower to finance these CCAA Proceedings;
 - ii. granting a charge to secure all obligations under the Interim Financing Agreement (the “**Interim Lender’s Charge**”) which will have second-ranking priority against the Applicant’s property behind the Administration Charge (as defined in the ARIO);
 - iii. an increase in the Administration Charge; and

- iv. an extension of the Stay of Proceedings until and including March 31, 2025;
and
 - b. an order (the “**Claims Process Order**”) authorizing and approving the Applicant to undertake a claims process (the “**Claims Process**”) to determine all claims against the Applicant.
4. On February 24, 2025, the Court granted an Order (the “**Meeting Order**”) approving the Applicant’s request for authorization to file a Plan of Compromise and Arrangement (the “**Plan**”) and to call, hold, and conduct a meeting on March 25, 2025 (the “**Creditors’ Meeting**”) of its Affected Creditors to vote on the Plan.

PURPOSE

5. The purpose of this third report of the Monitor (the “**Third Report**”) is to provide this Court and the Applicant’s stakeholders with information and the Monitor’s comments with respect to the following:
- a. an update with respect to the Creditors’ Meeting held on March 25, 2025, in accordance with the Meeting Order and the results of the Affected Creditors’ vote on the Plan;
 - b. the Monitor’s comments and recommendations with respect to the Applicant’s request for an order (the “**Sanction Order**”) sanctioning and approving the Plan;
 - c. the Monitor’s comments with respect to the implementation of the Plan; and
 - d. the Monitor’s comments and recommendations with respect to the Applicant’s request for an order (the “**CCAA Termination Order**”) terminating the CCAA Proceedings and approving the reports and activities of the Monitor and the fees and disbursements of the Monitor and its legal counsel.

TERMS OF REFERENCE

6. In preparing this Third Report, the Monitor has relied upon certain information (the “**Information**”) including the Applicant’s unaudited financial information, books and records and discussions with senior management of WDC (“**Management**”).
7. Except as described in this Third Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
8. The Monitor has not examined or reviewed financial forecasts and projections referred to in this Third Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future oriented financial information reported to be relied on in preparing this Third Report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
11. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Second Report of the Monitor dated February 27, 2025 (the “**Second Report**”), the Claims Process Order or the Meeting Order.

CLAIMS PROCESS

12. Subsequent to the Monitor issuing the Second Report, the Claims Bar Date, which was on February 28, 2025, passed and no further claims were received compared to the summary provided by the Monitor in paragraph 26 of the Second Report.
13. The following summarizes the number, value, class and status of all Pre-Filing Claims which were submitted prior to the Claims Bar Date:

Claimant	Type of Claim	Claim Amount	Disputed / Amended
BMO Nesbitt Burns Inc.	Unsecured	26,753	No
SMG Asset Canada Inc.	Unsecured	510	No
Walton Asset Management L.P.	Unsecured	1,346,758	No
Walton Global Investments Ltd.	Unsecured	5,839,376	No
Total Claims Notices Sent		\$ 7,213,397	
Claims Disputed / Amended		\$ -	

14. The Monitor did not receive any amendments or disputes with respect to any of the Voting Claims.

THE PLAN AND MEETING ORDER

15. On March 4, 2025, the Court granted the Meeting Order accepting the Plan for filing and authorizing and directing WDC to convene a Creditors' Meeting on March 25, 2025, to consider and vote on the Plan.
16. As set out in the Meeting Order, there is one class of creditors, consisting of all Affected Creditors and Convenience Class Creditors (being creditors with claims of \$30,000 or less) with Voting Claims. The only persons entitled to vote at the Creditors' Meeting were Affected Creditors with Voting Claims (or their proxies). Convenience Class Creditors were deemed to vote in favour of the Plan.

Notice to Creditors

17. The Meeting Order outlined how the Affected Creditors would be given notice of the Creditors' Meeting. It provided that the Monitor would:

a. within two (2) Business Days following the date of the Meeting Order, serve copies on the Service List and post electronic copies of the meeting materials were comprised of:

- i. the Notice to Affected Creditors;
- ii. the Meeting Order;
- iii. a blank form of Creditor Proxy, to be submitted to the Monitor by any Creditor with a Voting Claim who wishes to vote at the Meeting, whether in person or by proxy; and
- iv. the Notice to Convenience Class Creditors

(collectively the "**Meeting Materials**"); and

b. not later than the fifth (5th) Business Day following the date of the Meeting Order, deliver the Meeting Materials by courier, personal delivery regular mail or email to each Affected Creditor and Convenience Class Creditor at the address set out in such Creditor's Proof of Claim (or in any other written notice that had been received by the Monitor in advance of such date regarding a change of address for a Creditor), or in the case of Known Creditors, the address reflected in the Applicant's books and records for such Known Creditor.

18. The Monitor confirms that the above notices to creditors were provided in accordance with the Meeting Order.

CREDITORS' MEETING

19. The Creditors' Meeting commenced at 10:00 am Calgary time on Tuesday, March 25, 2025, virtually by Teams, as provided in the Meeting Order. Attendees were asked to sign in upon arriving at the Creditors' Meeting. All Affected Creditors attended by attendance or proxy.
20. The purpose of the meeting was to allow Affected Creditors with Voting Claims to consider and vote on the Plan.
21. Mr. Dustin Olver, Senior Managing Director of FTI Consulting Canada Inc., acted as chair (the "**Chair**") of the Creditors' Meeting and appointed Mr. Rob Kleebaum, Senior Director of FTI Consulting Canada Inc., as scrutineer (the "**Scrutineer**").
22. At the Creditors' Meeting quorum was present and, accordingly, the Chair declared the meeting to be properly constituted. Representatives of WDC and the Monitor and their respective legal counsel were available to answer questions throughout the Creditors' Meeting.
23. The Chair opened the Creditors' Meeting by outlining the purpose of the meeting.
24. The Applicant's legal counsel then presented an overview of the Plan.
25. Subsequently, the Chair offered attendees the opportunity to pose any questions with respect to the Plan or the restructuring process.
26. The Chair then reviewed the guidelines for the voting process in accordance with the Meeting Order and advised the attendees that there were no Disputed Claims.
27. The Chair advised that there was one class of Creditors consisting of the Affected Creditors and Convenience Class Creditors with Voting Claims.

28. The Chair then read the resolution to approve the Plan. The resolution was proposed and seconded by two proxy holders representing Affected Creditors and the meeting moved to voting.

Results of Vote

29. The Scrutineer tabulated the votes and presented them to the Affected Creditors present at the Creditors’ Meeting. In respect of the resolution to approve the Plan, as amended, the Affected Creditors voted as follows:

Summary of Votes Received	
Affected and Convenience Class Creditors	
Total Claims Received	4
Total Votes Received	4
Claims Voting For	2
Claims Deemed Voting For	2
Total Claims Voting For	4
Claims Against	0
% of Claims For	100.0%
Number of Votes Pass Threshold	50.0%
	Pass
Total Value of Claims Received & Voted	\$ 7,213,396.69
Dollar Value of Claims For	\$ 7,186,133.51
Dollar Value of Claims Deemed For	\$ 27,263.18
Total Dollar Value of Claims For	\$ 7,213,396.69
Dollar Value of Claims Against	\$ -
% of Dollar Value Claims For	100.0%
Dollar Value Pass Threshold	66.7%
	Pass

30. The Chair noted that with all votes tabulated, the support of Affected Creditors for the Plan was greater than the Required Majority (as defined in the Plan) in number and in dollar value to approve the Plan in accordance with the CCAA.

31. Accordingly, the Chair advised the Affected Creditors present at the Creditors’ Meeting that the resolution to approve the Plan had been approved by the Required Majority and the next

steps would be for the Applicant to seek the Sanction Order from the Court at an application to be heard on March 28, 2025.

PLAN IMPLEMENTATION

32. The implementation of the Plan is conditional upon fulfillment of the conditions set out in section 12.3 (a) through (l) of the Plan. The only conditions that cannot be waived by WDC and the Plan Sponsor are:

- a. approval of the Plan by the Required Majority of creditors, which has already been satisfied; and
- b. the granting of the Sanction Order by this Court.

33. The conditions set out in sections 12.3 (j), (k) and (l) include the entry into new agreements, which the Applicant seeks approval of as part of the Sanction Order:

- a. the WAM Agreement, which is the Restructuring Support Agreement between WDC, the Subsidiary and WAM, a copy of which is attached to the Fourth Affidavit of Bryce Tingle sworn March 24, 2025 (the “**Tingle Affidavit**”) at Exhibit “B”;
- b. the Restructuring Support Agreement between WDC, the Subsidiary and WGIL as Plan Sponsor, a copy of which is attached to the Tingle Affidavit at Exhibit “C”; and
- c. the WGIL Agreements, which are (i) the First Amending Agreement to Management Services Agreement between WDC and WGIL as manager, a copy of which is attached to the Tingle Affidavit at Exhibit “D” (the “**MSA Amendment**”), and (b) the First Amending Agreement to Interim Financing Commitment Letter between WDC and WGIL as Interim Lender, a copy of which is attached to the Tingle Affidavit at Exhibit “E” (the “**Interim Financing Amendment**”).

(collectively the “**Implementation Documents**”)

34. The purpose of the MSA Amendment is to provide that all management fees that will be earned by WGIL as manager thereunder will be payable by WDC only upon the completion and monetization of the Project. Similarly, the purpose of the Interim Financing Amendment is to extend the maturity date of the Interim Loan Facility such that all amounts owing by WDC thereunder will be payable only upon the completion and monetization of the Project. Both WGIL Agreements also provide that if there are no proceeds available from the Project to repay the relevant obligations, the obligations will be deemed to be fully and irrevocably extinguished without payment.
35. The WAM Agreement and the Restructuring Support Agreement confirm WAM’s and WGIL’s support for the Plan, respectively. The Restructuring Support Agreement also provides that WGIL will, either directly or through a subsidiary, provide credit support to WDC and the Subsidiary in such a manner and on such terms so as to ensure that WDC, the Subsidiary or any of their affiliates involved in the development of the Project have access to funding for the Project. Such credit support is to include WGIL providing financing to WDC, the Subsidiary and/or one or more affiliates, guaranteeing their obligations in respect of any financing obtained from other sources, or both.
36. The Monitor has reviewed the Implementation Documents and notes that they provide for significant ongoing credit and support to WDC, beyond the compromises provided for under the Plan, with respect to WAM’s and WGIL’s Affected Claims.
37. Once the conditions in section 12.3 of the Plan have been fulfilled (or waived): (i) WDC will provide written notice to the Monitor that the conditions have been satisfied or waived; (ii) the Monitor will serve on the service list for the CCAA Proceedings, and file with the Court, a certificate (the “**Plan Implementation Certificate**”) which states that all conditions precedent set out in section 12.3 of the Plan have been satisfied or waived and that the Implementation Date has occurred.

38. In the Monitor's view the conditions contained in section 12.3 are not prejudicial to any stakeholders and are realistically achievable by the Outside Date of April 30, 2025.

39. Upon implementation, the Plan provides the following to occur:

- a. all Existing Class B Shares shall be cancelled and extinguished, and shall be deemed to be cancelled and extinguished without payment of any consideration;
- b. all Equity Claims, including Director/Officer Indemnity Claims that are based on or related to Equity Claims, shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any repayment of capital thereof or compensation;
- c. the Applicant shall pay the Proven Claims of Convenience Class Creditors in cash in accordance with the Plan, and all of the Claims of the Convenience Class Creditors will be fully and finally forgiven, settled and extinguished;
- d. Affected Creditors shall not have their Affected Claims paid immediately, and such Affected Claims shall be put in abeyance until the Project is completed and monetized, and shall be paid from the proceeds, if any, of the monetization of the Project, pro rata and in accordance with such Affected Creditors' entitlement and the WAM Agreements and the WGIL Agreements, as applicable;
- e. the Amended Articles shall become effective;
- f. the Directors of the Applicant prior to the Implementation Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed;
- g. the releases and injunctions referred to in section 11 of the Plan (as discussed below) shall become effective;

- h. the Applicant shall pay all outstanding, invoiced obligations, liabilities, fees and disbursements secured by the Administration Charge and the Administration Charge shall be discharged in accordance with the Plan;
- i. the Directors' Charge shall be discharged from the assets of the Applicant;
- j. all outstanding amounts secured by the Interim Lender's Charge shall remain in place in accordance with the Interim Financing Amendment and the Interim Lenders' Charge shall continue; and
- k. in accordance with section 3.8 of the Plan, any federal and provincial government claims of the kind described in subsection 6(3) of the CCAA that were outstanding at the Filing Date shall be paid in full within six months after the Sanction Order, as required by subsection 6(3) of the CCAA.

40. The Monitor continues to support the Plan for the reasons set out in the Second Report filed in relation to the Meeting Order. In addition to the Monitor's analysis provided in the Second Report: (i) 100% of the Affected Creditors have voted in favour of the Plan; and (ii) once the Plan is implemented, the Implementation Documents will have the effect of providing WDC ongoing credit and support to advance development of the Project which will maximize the potential value and recoveries to the Affected Creditors.

41. The Applicant has advised the Monitor that if the Sanction Order is granted, the documents necessary to implement the Plan are substantially prepared and Plan Implementation can be completed forthwith.

PLAN RELEASES

42. The Plan contemplates the releases (the "**Plan Releases**") outlined in section 11.1 of the Plan for the following parties:

- a. the Company Released Parties, being WDC, the Directors and Officers of WDC and their respective financial advisors, legal counsel and agents;
- b. the Creditor Released Parties, being WAM and WGIL and their respective financial advisors, legal counsel and agents; and
- c. the Plan Sponsor Released Parties, being WGIL as the Plan Sponsor and its financial advisors, legal counsel and agents.

43. In the Monitor's view the Plan Releases are reasonable and justified for the following reasons:

- a. The Company Released Parties include the Directors and Officers of WDC who managed and directed the Applicant's restructuring efforts, including providing oversight and input into the Plan, the Interim Financing, the Implementation Documents and assisted in providing the Monitor with information in respect of its independent assessment of the Project;
- b. The Creditor Released Parties and the Plan Sponsor Released Parties supported the Applicant with the necessary interim funding required to fund the Applicant's restructuring efforts and these CCAA Proceedings and will be providing ongoing support post implementation to the Applicant as it works to advance development of the Project. As well WGIL and WAM have entered into restructuring support agreements assisting the Applicant in its ability to implement the Plan.

TERMINATION OF THE CCAA PROCEEDINGS

44. The Applicant is seeking the CCAA Termination Order, which includes the following:

- a. upon service of the Plan Implementation Certificate by the Monitor, the Applicant's CCAA proceedings will be terminated;

- b. discharge of the Administration Charge and Directors' Charge;
- c. discharge of the Monitor;
- d. approval of the Monitor's reports in the CCAA proceedings and the activities of the Monitor set out therein, being:
 - i. the Pre-Filing Report of the proposed Monitor dated January 14, 2025, filed in connection with the Applicant's request for the Initial Order;
 - ii. the First Report of the Monitor dated January 21, 2025, filed in connection with the Applicant's request for the ARIO and Claims Process Order;
 - iii. the Second Report, filed in connection with the Applicant's request for the Meeting Order; and
 - iv. this Third Report;

(collectively, the "**Monitor's Reports**")
- e. approval of the fees and disbursements of the Monitor and its legal counsel, Blake, Cassels & Graydon LLP ("**Monitor's Counsel**"); and
- f. release of the Monitor, the Monitor's Counsel, and the Applicant's counsel (the "**CCAA Releases**").

45. In the Monitor's view the CCAA Releases are appropriate as the parties covered by the CCAA Releases were intimately involved in the CCAA Proceedings, ensuring compliance with the ARIO, developing the Plan, completing the Claims Process, conducting the Creditors' Meeting and, if the Sanction Order is granted, will work with the Applicant to complete the steps necessary to implement the Plan.

46. Once the Plan has been implemented, the CCAA Proceedings will no longer be necessary. For efficiency purposes the sequencing is structured so that the Sanction Order can be granted and if the Applicant is successful in completing the steps required to implement the Plan, the Monitor will file the Plan Implementation Certificate which will terminate the CCAA Proceedings in accordance with the CCAA Termination Order, without having to return to Court. Accordingly, the Monitor supports the Applicant's request for the CCAA Termination Order.

MONITOR'S REPORTS, ACTIVITIES AND FEES

47. The Monitor has undertaken its duties, as prescribed by the CCAA and the ARIO, in good faith and with due diligence, to facilitate these CCAA proceedings. In the Monitor's view, it is just and appropriate for the Monitor's Reports and the activities referred to therein to be approved by this Court.

48. Pursuant to paragraph 30 of the ARIO, the Monitor and Monitor's Counsel are required to pass their accounts from time to time. The CCAA Termination Order seeks to approve the fees of the Monitor and Monitor's Counsel.

49. The professional fees and disbursements incurred for the Monitor for the period of January 14, 2025 to March 21, 2025 total \$154,446.84 (exclusive of GST). The Monitor anticipates having additional fees and disbursements of approximately \$30,000.

50. The professional fees and disbursements incurred for Monitor's Counsel for the period of January 14, 2025 to March 24, 2025 total \$70,764.5 (exclusive of GST). The Monitor anticipates having additional fees and disbursements of approximately \$15,000.

51. Copies of the invoices of the Monitor and Monitor's Counsel are available to this Court upon request.

52. The Monitor considers that the fees and disbursements charged by it and Monitor's Counsel have been necessarily incurred and that the hours and rates charged are fair and reasonable in the circumstances.

CONCLUSIONS AND RECOMMENDATIONS

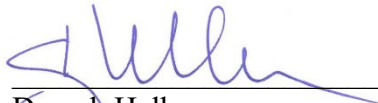
53. The filing of the Plan Implementation Certificate will complete the Monitor's administration of these CCAA Proceedings and bring these CCAA Proceedings to a conclusion.

54. The Monitor respectfully recommends that this Court grant the following orders:

- a. the Sanction Order; and
- b. the CCAA Termination Order.

All of which is respectfully submitted this 26th day of March, 2025.

FTI Consulting Canada Inc.,
in its capacity as Monitor of
the Westphalia Dev. Corp.
and not in its personal or corporate capacity



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