

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N° : 500-11-066105-251

**SUPERIOR COURT**  
(Commercial Division)

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**IN THE MATTER OF THE RECEIVERSHIP  
OF:**

**CANADOIL FORGE LTD.**

Debtor

-and-

**FIERA PRIVATE DEBT FUND VI LP**, acting  
through its sole general partner, **FIERA  
PRIVATE DEBT FUND GP INC.**

- and -

**FIERA PRIVATE DEBT FUND VII LP**, acting  
through its sole general partner, **FIERA  
PRIVATE DEBT FUND GP INC.**

Applicants

-and-

**FTI CONSULTING CANADA INC.**

Interim Receiver / Proposed Receiver

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**APPLICATION FOR THE APPOINTMENT OF A RECEIVER**  
(Section 243 of the *Bankruptcy and Insolvency Act* (the “**BIA**”))

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**TO ONE OF THE HONORABLE JUDGES OF THE SUPERIOR COURT, OR TO THE REGISTRAR, SITTING IN THE COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE APPLICANTS SUBMIT:**

**I. INTRODUCTION**

1. The applicants, Fiera Private Debt Fund VI LP (“**Fund VI**”) and Fiera Private Debt Fund VII LP (“**Fund VII**”), both acting through their sole general partner, Fiera Private Debt Fund GP Inc. (the “**General Partner**”, collectively with Fund VI and Fund VII, “**Fiera**” or the “**Applicants**”), seek an order in accordance with section 243 of the BIA appointing FTI Consulting Canada Inc. (Mr. Martin Franco, CPA, CIRP, LIT) (“**FTI**”) as receiver (in such capacity, the “**Proposed Receiver**”) over Canadoil Forge Ltd.’s (“**Canadoil**” or the “**Debtor**”) property in accordance with the draft order (the “**Proposed Receivership Order**”), communicated herewith as **Exhibit R-1**.

2. A redline between the Proposed Receivership Order (Exhibit R-1) and the Liaison Committee of the Barreau de Montréal with the Commercial Division of the Superior Court of Quebec (the “**Court**”) for the District of Montreal’s model order is communicated herewith as **Exhibit R-2**.
3. The Applicants also seek authorization from this Court to enter into to an Interim Financing Term Sheet (as defined hereinafter) with the Proposed Receiver in connection with an Interim Facility (as defined hereinafter) to be provided on the terms and conditions set forth in said Interim Financing Term Sheet, and the establishment of an administration charge in the amount of \$75,000, the whole in accordance with the Proposed Receivership Order (Exhibit R-1).

## **II. FACTUAL CONTEXT**

### **A. Overview of Business and Corporate Structure**

4. Canadoil is a legal person incorporated under the *Canada Business Corporations Act*, as appears from an extract of the *Registre des entreprises du Québec*, communicated herewith as **Exhibit R-3**.
5. Canadoil is part of a group (the “**Canadoil Group**”) which operates in the piping industry and centralizes its business around the manufacture and sale of piping components.
6. Founded in 1982, Canadoil was, until it ceased its operations in August 2025 as explained below, a North American manufacturer of butt-weld pipe fittings. Located in Bécancour, Québec, Canada, Canadoil produced a full range of butt-weld pipe fittings and specialty custom products.
7. Canadoil manufactured its products in Bécancour, Québec, which products were then sold to clients located in Canada directly by Canadoil and to clients in the United States through CFC Canadoil, Inc. (“**CFC**”), which is part of the Canadoil Group and has guaranteed the Debtor’s obligations towards Fiera.
8. The products manufactured by Canadoil were stored at its Bécancour plant until they were shipped directly to the end-client.
9. Canadoil represented to Fiera that, prior to the cessation of its operations, it employed approximately 100 employees, all working at its Bécancour, Quebec plant.
10. Canadoil’s registered head office is located in Montréal, Quebec.

### **B. Procedural and Factual Background**

#### **i) The First RBC Interim Receivership Application**

11. On or around August 18, 2025, the Debtor’s operating lender, Royal Bank of Canada (“**RBC**”), filed an application for the appointment of an interim receiver (the

**“First RBC Interim Receivership Application”**), which was heard on August 18, 2025, on an *ex parte* basis, as appears from the Court record.

12. On August 19, 2025, the RBC Interim Receivership Application was dismissed because it proceeded on an *ex parte* basis (the **“August 19 Judgement”**), as appears from the Court record.

**ii) The Fiera Interim Receivership Application and the Second RBC Interim Receivership Application**

13. On or around August 22, 2025, RBC filed a second application for the appointment of an interim receiver (the **“Second RBC Interim Receivership Application”**) and notified same to the Debtor, as appears from the Court Record.

14. On or around August 27, 2025, Fiera filed a *Motion for the Issuance of an Interim Receivership Order and Other Related Relief* (the **“Fiera Interim Receivership Application”**) and, collectively with the Second RBC Interim Receivership Application, the **“Interim Receiver Applications”**) for the appointment of an interim receiver in respect of the Debtor’s Immovable Property (as defined hereinafter) and Movable Property (as defined hereinafter, collectively, the **“Subject Property”**) described below:

- a) an immovable facing Boulevard Bécancour, in Bécancour, Province of Québec, known and designated as lot THREE MILLION TWO HUNDRED NINETY-FOUR THOUSAND SIXTY-FOUR (3,294,064) of the Cadastre of Québec, Registration Division of Nicolet (Nicolet 2) with the building erected on it, circumstances and dependencies, and in particular the building bearing number 5500, Bécancour Boulevard, Bécancour, Province of Quebec, G9H 3W3 (the **“5500 Bécancour Boulevard Property”**);
- b) an immovable known and designated as consisting of the following lots: lot number THREE MILLION TWO HUNDRED NINETY-FOUR THOUSAND NINETY-FIVE (3,294,095) of the Cadastre du Québec, registration division of Nicolet (Nicolet 2) and lot number THREE MILLION TWO HUNDRED NINETY-FOUR THOUSAND NINETY-NINE (3 294 099) of the Cadastre du Québec, registration division of Nicolet (Nicolet 2) with the building erected on it, circumstances and dependencies, and in particular the building bearing number 805, Alphonse-Deshaies Boulevard, Bécancour, Province of Quebec, G9H 2Y8 (the **“805 Alphonse-Deshaies Boulevard Property”**), collectively with the 5500 Bécancour Boulevard Property, the **“Immovable Properties”**);
- c) all present and future rents deriving from the leasing of all or part of the Immovable Properties (**“Rents”**), as well as all insurance indemnities payable under insurance policies covering the Immovable Properties and expropriation indemnities relating to the Immovable Properties, (collectively with the Immovable Properties and the Rents, the **“Immovable Property”**); and

- d) the universality of the Debtor's movable property, present and future, corporeal and incorporeal, of any nature and type whatsoever and wherever located, except for all property subject to RBC's collateral (the "**Movable Property**").

the whole as appears from a copy of the Fiera Interim Receivership Application communicated herewith as **Exhibit R-4**.

- 15. The Interim Receivership Applications were heard on August 29, 2025.
- 16. On the morning of August 29, 2025, Fiera was informed by the Debtor's counsel that the directors and officers of the Debtor had resigned, and that the Debtor would not contest the Interim Receivership Applications.
- 17. The same day, the Court rendered a judgment, *inter alia*, granting the Interim Receivership Applications and appointing FTI (in such capacity, the "**Interim Receiver**") to act as interim receiver over the Debtor's property (the "**Interim Receivership Order**"), as appears from the Court record.
- 18. The Interim Receivership Order, *inter alia*:
  - a) Granted the following powers to the Interim Receiver:
    - i) the powers necessary to control and collect the Debtor's receipts and disbursements, inventory and accounts receivable;
    - ii) the powers necessary to investigate, monitor, exercise control over and take control of the Debtor's property;
    - iii) the powers necessary to access all the Debtor's records and to undertake an analysis of same;
    - iv) the powers necessary to access and review the Debtor's financial information;
    - v) the powers necessary to take all actions required and necessary to ensure the protection of the Debtor's property; and
    - vi) the powers necessary to access, at all times, the Debtor's place of business and premises and to change the locks.
  - b) Created an administration charge in an amount of \$300,000 (the "**IR Administration Charge**").
- 19. Pursuant to the Interim Receivership Order, FTI's appointment as Interim Receiver was scheduled to come to an end on September 29, 2025.
- 20. At the end of the August 29, 2025, hearing, the Debtor's counsel informed this Court that the Debtor's employees had all been laid off.

**iii) The Interim Financing Application**

21. On or around September 4, 2025, the Applicants filed a *Motion for Approval of an Interim Financing*, which was amended on September 5, 2025 (as amended, the “**Interim Financing Application**”) in order to provide the Interim Receiver with urgent interim financing required to fund the conservatory measures in respect of the Subject Property, as appears from the Court record.
22. The Interim Financing Application was supported by a report of the Interim Receiver, which included cash-flow projections for the four-week period ending September 29, 2025, a copy of which is communicated herewith as **Exhibit R-5**.
23. On September 8, 2025, the Court granted the Interim Financing Application, authorized the Interim Receiver to borrow from the Applicants an amount not exceeding \$400,000 (the “**IR Interim Financing Facility**”) and created a priority charge to secure the obligations pursuant to the IR Interim Financing Facility (the “**IR Interim Financing Charge**”), as appears from the court record.
24. On September 8, 2025, Fiera and the Interim Receiver entered into an Interim Financing Term Sheet, a copy of which is communicated herewith as **Exhibit R-6**
25. As of the date hereof, Fiera has disbursed \$140,000 of the IR Interim Financing.

**iv) The Receivership Application and the Application for the Extension of the Interim Receivership Order**

26. On September 23, 2025, the Applicants served an application (the “**Receivership Application**”) seeking the appointment of Raymond Chabot Inc. (“**RCI**”) to act as receiver pursuant to Section 243 of the Bankruptcy and Insolvency Act.
27. The Receivership Application initially sought the appointment of RCI as receiver in relation to the pool of assets subject to Fiera’s hypothecs, although its scope was expanded, with RBC’s support, to include all of the Debtor’s property, once the Applicants and RBC were informed by Mr. Sozzi, on the day prior to the hearing, that an assignment in bankruptcy may have prejudicial effects on the Debtor’s permits, licenses and contracts. The intent behind the Receivership application was to quickly launch a sale and investment solicitation process, consistent with the plan outlined to the Court at the August 29 hearing on the Interim Receivership Applications.
28. The Receivership Application was heard on September 25, 2025.
29. On September 26, 2025, the Court rendered a judgment dismissing the Receivership Application (the “**Receivership Judgement**”), as appears from the Court record.
30. On the same day, the Applicants served an application seeking the extension of the Interim Receivership Order (the “**Extension Application**”). The extension of

the Interim Receivership Order was required to ensure the preservation of the Debtor's property due to the fact that FTI's mandate as interim receiver was scheduled to expire on September 29, 2025.

31. On September 29, 2025, the Court granted the Extension Application and extended FTI's mandate as Interim Receiver until October 14, 2025, as appears from the Court record.

**C. Indebtedness Owing by the Debtor to Fiera and Fiera's Security**

32. Pursuant to terms and conditions of a credit agreement dated as of August 24, 2023, among Canadoil, as borrower, CFC, as corporate guarantor, and the General Partner in its capacity as sole general partner of Fund VI, Fund VI made available to Canadoil a term loan in the principal amount of \$20,000,000 (the "**2023 Credit Agreement**"), as appears from a copy of the 2023 Credit Agreement, communicated herewith, as **Exhibit R-7**.

33. In order to secure the obligations of Canadoil under the 2023 Credit Agreement, Canadoil granted the following security to Fund VI:

- a) Immovable hypothec without delivery granted by Canadoil in favour of Fund VI for an amount of \$25,000,000 with interest at the rate of 25% per annum, executed before Me Chantal Tremblay, Notary under minute No 2021 on August 18, 2023, and registered at the Cadastre du Québec, Registration Division of Nicolet on August 18, 2023, under number 28 223 294 as well as at Register of personal and movable real rights ("**RPMRR**") on August 23, 2023, under number 23-0992223-0001 (the "**Immovables Hypothec**"). The Immovables Hypothec charges the Immovable Property described as follows:

**2.1 Immeubles**

*Tous les immeubles décrits ci-après (lesquels immeubles sont ci-après collectivement désignés l'« **Immeuble** » ou les « **Immeubles** »).*

**DÉSIGNATION**

**PROPRIÉTÉS SITUÉES DANS LA MUNICIPALITÉ DE BÉCANCOUR**

1. *Un immeuble ayant front sur le e boulevard Bécancour, à Bécancour, province de Québec, connu et désigné comme étant le lot TROIS MILLION DEUX CENT QUATRE-VINGT-QUATORZE MILLE SOIXANTE-QUATRE (3 294 064), Cadastre du Québec, circonscription foncière de Nicolet (Nicolet 2).*

*Avec bâtisse dessus construite, circonstances et dépendances, et notamment la bâtisse portant le numéro 5500, boulevard Bécancour, Bécancour, province de Québec, G9H 3W3.*

2. *Un immeuble connu et désigné comme étant formé des lots suivants :*

a) *le lot numéro TROIS MILLIONS DEUX CENT QUATRE-VINGT-QUATORZE MILLE QUATRE-VINGT-QUINZE (3 294 095) du cadastre du Québec, circonscription foncière de Nicolet (Nicolet 2); et*

b) *le lot numéro TROIS MILLIONS DEUX CENT QUATRE-VINGT-QUATORZE MILLE QUATRE-VINGT-DIX-NEUF (3 294 099) du cadastre du Québec, circonscription foncière de Nicolet (Nicolet 2);*

*avec bâtisse dessus construite portant le numéro 805, boul. Alphonse-Deshaies, Bécancour, Québec, G9H 2Y8, circonstances et dépendances.*

## 2.2 **Loyers et indemnité d'assurance et d'expropriation**

*[...] tous les loyers, présents et à venir, provenant de la location de tous ou partie des Immeubles (les « **Loyers** »), de même que toutes les indemnités d'Assurance payables en vertu des polices d'assurance couvrant les Biens Hypothéqués et les indemnités d'expropriation relatives aux Biens Hypothéqués.*

- b) Movable hypothec without delivery granted by Canadoil in favour of Fund VI for an amount of \$25,000,000 with interest at the rate of 20% per annum, executed under private signature on August 19, 2023, and registered at the RPMRR on August 21, 2023, under number 23-0983038-0001 (the "**Fund VI Universal Hypothec**"). The Fund VI Universal Hypothec charges the Movable Property described as follows:

### 3.1 **Biens hypothéqués**

*[...] l'universalité des biens meubles [de Canadoil], actuels et futurs, corporels et incorporels, de quelque nature et type que ce soit et peu importe où ils sont situés, y compris, sans limiter la généralité de ce qui précède, tous les biens meubles [de Canadoil], corporels et incorporels, présents et futurs, se trouvant dans ou sur les immeubles décrits à l'Annexe 3.1 de l'acte [...]*

(collectively, the "**Fund VI Security**")

The whole as appears from the Immovables Hypothec, the Fund VI Universal Hypothec and from extracts of the RPMRR and the index of immovables, *en liasse*, each respectively communicated herewith, as **Exhibit R-8**, **Exhibit R-9**, **Exhibit R-10** and **Exhibit R-11**.

34. Pursuant to the terms and conditions of a credit agreement dated as of December 6, 2024, among Canadoil, as borrower, CFC, as corporate guarantor, and the General Partner in its capacity as sole general partner of Fund VII, Fund VII made available to Canadoil a term loan in a maximum principal amount of \$10,000,000 (the “**2024 Credit Agreement**”, collectively with the 2023 Credit Agreement, the “**Credit Agreements**”), as appears from a copy of the 2024 Credit Agreement, communicated herewith, as **Exhibit R-12**.
35. The 2024 Credit Agreement term loan was structured to be disbursed in two equal tranches of \$5,000,000 to be used for the sole purpose of financing capital expenditures. More specifically:
  - a) The first tranche of \$5,000,000 (“**Tranche A**”) was intended to be used by the Debtor to finance equipment purchased over the past 12-24 months (i.e. the Tranche A Advance Equipment, as defined hereinafter); and
  - b) The second tranche of \$5,000,000 (“**Tranche B**”) was intended to be used to finance additional equipment purchases necessary to the Debtor’s operations (i.e. the Tranche B Equipment, as defined hereinafter).
36. Tranche A was fully disbursed to the Debtor on or around December 20, 2024 (“**Tranche A Advance**”).
37. Tranche B was fully disbursed to the Debtor on or around February 4, 2025 (the “**Tranche B Advance**”, collectively with the Tranche A Advance, the “**2024 Credit Agreement Advance**”).
38. In order to secure the obligations of Canadoil under the 2024 Credit Agreement, Canadoil granted the following security to Fund VII:
  - a) Movable hypothec without delivery granted by Canadoil in favour of Fund VII for an amount of \$12,500,000 with interest at the rate of 20% per annum, executed under private signature on December 17, 2024, and registered at the RPMRR on December 17, 2024, under number 24-1586507-0001 (the “**Fund VII Universal Hypothec**”). The Fund VII Universal Hypothec charges the following property:

[...] *l’universalité des biens meubles du Constituant, actuels et futurs, corporels et incorporels, de quelque nature et type que ce soit et peu importe où ils sont situés*  
[...]
  - b) Movable hypothec without delivery granted by Canadoil in favour of Fund VII for an amount of \$12,500,000 with interest at the rate of 20% per annum, executed under private signature on December 17, 2024, and registered at the RPMRR on December 17, 2024, under number 24-1586507-0002 (the

**“Tranche A Advance Equipment Hypothec”**). The Tranche A Advance Equipment Hypothec charges the following property (the **“Tranche A Equipment”**):

*Tous les biens du Constituant décrits à l'Annexe « 2.1.1 » de l'acte, telle que reproduite ci-dessous, où qu'ils soient situés.*

## ANNEXE 2.1.1

## ÉQUIPEMENTS SPÉCIFIQUES

## TRANCHE A

Description des biens	No. de série	Montant \$ En milliers
AVENGER	98-VIS2C-0152	98
PRESSE 1000 TONNE	MOD2012/024/SER721	147
PRESSE 1600 TONNE	MOD2013/031/SER722	500
PRESSE 3000 TONE	MOD2014/037/SER723	750
SCHIESS	040-M	76
POSITIONNEUR SIO MRM	7640402	350
ALESEUSE FG BELGE AFMF 100	830535	78
COUPEUSE SECTEURS AGT	006-C	77
COUPEUSE BOUTS AGT	002-C/003-C	105
ROULEUSE (3 ROULEAUX)	3000/016-F	218
4-ROLL BENDERVERM HY.2500X18	W010454	1,400
POSITIONNEURARONSON HD700CS	076-W/7817	170
GIDDING & LEWIS 570P	250-49-57	207
Panjiris Positioner 600-12	400-9911-2	378
Worthington Positioner 600	57411	447
	TOTAL:	5,000

*2.1.2 Les Biens hypothéqués incluent ce qui suit, sans que soient limitées les charges découlant de la simple application de la loi :*

*(a) le produit de la vente, de la location ou d'une autre forme d'aliénation de Biens hypothéqués, ainsi que les créances découlant de telles opérations;*

*(b) le produit et les fruits et revenus tirés des Biens hypothéqués, y compris toutes les indemnités d'assurance ou d'expropriation payables à l'égard des biens en question;*

*(c) les titres, les documents, les registres, les factures et les comptes attestant les Biens hypothéqués ou s'y rapportant, peu importe leur support et le mode d'accès à ceux-ci, que ce soit par voie de documents écrits, d'éléments graphiques, de sons, d'éléments visuels, de fichiers informatiques ou autrement;*

*(d) les biens qui remplacent ceux qui sont déjà grevés par cette hypothèque, dans la mesure où ceux-ci ne sont pas par ailleurs hypothéqués aux termes de cette hypothèque ou par application de la loi.*

- c) Movable hypothec without delivery granted by Canadoil in favour of Fund VII for an amount of \$12,500,000 with interest at the rate of 20% per annum, executed under private signature on January 24, 2025, and registered at the RPMRR on January 24, 2025, under number 25-0090765-0001 (the “**Tranche B Advance Equipment Hypothec**”). The Tranche B Advance Equipment Hypothec charges the following property (the “**Tranche B Equipment**”):

*Tous les biens du Constituant décrits à l'Annexe « 2.1.1 » de l'acte, telle que reproduite ci-dessous, où qu'ils soient situés.*

## ANNEXE 2.1.1

## ÉQUIPEMENTS SPÉCIFIQUES

## AVANCE DE LA TRANCHE B

Description des biens	Numéro de série	Montant \$CAD En milliers
Pemamek C&B HD6X5S - Poste de soudage composé d'une colonne et d'une flèche équipées d'une scie tandem à long manche	2444601	1 280
Pemamek CM55 - Station de fraisage circulaire externe	2293001	1 360
Pemamek TW6000-100 - Rouleau de ligne de culture avec unité d'installation mobile et unité de gabarit fixe, équipé d'une unité d'alimentation A100 2D avec chariot	D54151-0	580
OMSG CAPRI 30/40 5T-22 H110 - grande grenailleuse	247691/02	2 185
	Total \$CAD :	5 405

2.1.2 *Les Biens hypothéqués incluent ce qui suit, sans que soient limitées les charges découlant de la simple application de la loi :*

(a) *le produit de la vente, de la location ou d'une autre forme d'aliénation de Biens hypothéqués, ainsi que les créances découlant de telles opérations;*

(b) *le produit et les fruits et revenus tirés des Biens hypothéqués, y compris toutes les indemnités d'assurance ou d'expropriation payables à l'égard des biens en question;*

(c) *les titres, les documents, les registres, les factures et les comptes attestant les Biens hypothéqués ou s'y rapportant, peu importe leur support et le mode d'accès à ceux-ci, que ce soit par voie de documents écrits, d'éléments graphiques, de sons, d'éléments visuels, de fichiers informatiques ou autrement;*

*(d) les biens qui remplacent ceux qui sont déjà grevés par cette hypothèque, dans la mesure où ceux-ci ne sont pas par ailleurs hypothéqués aux termes de cette hypothèque ou par application de la loi.*

(collectively, the “**Fund VII Security**” and collectively with the Fund VI Security, the “**Security**”)

The whole as appears from the Fund VII Universal Hypothec, the Tranche A Advance Equipment Hypothec and the Tranche B Advance Equipment Hypothec, each respectively communicated herewith as **Exhibit R-13**, **Exhibit R-14** and **Exhibit R-15**.

39. As of September 18, 2025, Canadoil was indebted towards Fund VI and Fund VII, respectively, as follows (the “**Indebtedness**”):
- a) \$19,915,945.07 (\$19,486,510.15 in principal, \$363,516.84 in accrued interest and \$65,918.08 in out-of-pocket costs) to Fund VI; and
  - b) \$9,879,600.21 (\$9,670,953.87 in principal, \$175,931.87 in accrued interest and \$32,714.47 in out-of-pocket costs) to Fund VII;

subject to accrued and accruing interest and fees incurred and to be incurred under the Credit Agreements.

### **III. THE DEBTOR’S FINANCIAL DIFFICULTIES AND THE DEFAULTS UNDER THE CREDIT AGREEMENTS**

40. The circumstances leading to the filing of the Fiera Interim Receivership Application are detailed in such application and are summarized below.
41. On or around June 6, 2025, Fiera was made aware that RBC had transferred Canadoil’s account to its special loans department as a result of a margin deficit and other defaults.
42. On or around July 4, 2025, Fiera received a copy of a first notice of default sent by RBC to Canadoil (the “**First RBC Notice of Default**”), communicated herewith as **Exhibit R-16**.
43. The First RBC Notice of Default alleged that the Debtor’s indebtedness towards RBC was amounting to \$12,565,598.51, well in excess of the maximum amount of indebtedness to RBC permitted under the Credit Agreements, as more fully explained below.
44. As a result of the RBC First Notice of Default, Fiera was informed that RBC had engaged FTI as its financial advisor to assess Canadoil’s financial situation.
45. On July 11, 2025, Fiera received a copy of a second notice of default from RBC, which RBC contends also constituted a notice pursuant to section 244 of the BIA

(the “**Second RBC Notice of Default**”, together with the First RBC Notice of Default, the “**RBC Notices of Default**”) communicated herewith as **Exhibit R-17**.

46. The Second RBC Notice of Default revised the amount owed to RBC upwards to an amount of \$13,787,124.55 (the “**RBC Indebtedness**”), cementing the Debtor’s breach of the Credit Agreements’ permitted indebtedness covenants, as more fully explained below.
47. As part of the Second RBC Notice of Default, RBC required that Canadoil provide RBC, no later than July 31, 2025, with a firm commitment by Fiera or an alternative lender confirming that the full amount of the RBC Indebtedness would be repaid by August 15, 2025.
48. As part of its review of the file, Fiera learned that:
  - a) on January 7, 2025, a judgement had been issued by the Superior Court of Québec, district of Montréal, in file number 500-17-132229-249, against the Debtor which resulted in the publication of a legal hypothec by Gardium Sécurité Inc. on the Immovable Properties on May 29, 2025, as appears from the *Avis d’hypothèque légale résultant d’un jugement*, dated May 29, 2025, communicated herewith as **Exhibit R-18**;
  - b) the Debtor had repaid advances to the Debtor’s president, Mr. Giacomo Sozzi, in the amount of \$7,092,686 during the financial year ended January 31, 2025, and in the amount of \$1,769,634 subsequent to January 31, 2025 (in addition to another amount of \$1,956,899 received by Mr. Sozzi from Canadoil during the financial year ended January 31, 2024), the whole without obtaining Fiera’s consent;
  - c) the Debtor owes an amount of at least \$3,526,793.67 to the Canada Revenue Agency (the “**CRA**”) on account of deductions at source (the “**CRA Arrears**”). Fiera had never been informed of this liability and, to the contrary, had been provided by the Debtor, as a condition precedent to the disbursement of the advances under the 2024 Credit Agreement, with a letter from the CRA confirming that the balance owing to the CRA was nil as at December 10, 2024 (the “**CRA Confirmation Letter**”), as appears from a copy of such letter dated December 10, 2024, communicated herewith as **Exhibit R-19**. On August 28, 2025, the CRA provided Fiera with a copy of the original confirmation letter issued to Canadoil, which indicated that the balance owing to the CRA as at December 10, 2024 was in fact \$3,526,793.67 (the “**Original CRA Confirmation Letter**”), thus confirming that the CRA Confirmation Letter provided to Fiera had been altered to hide the existence of the CRA Arrears, as appears from a copy of the Original CRA Confirmation Letter, communicated herewith as **Exhibit R-20**.
49. On August 1, 2025, Fiera issued a notice of default to the Debtor documenting the occurrence of numerous Events of Default (as defined hereinafter) under the Credit Agreements (the “**Fiera Notice of Default**”), as appears from a copy of the Fiera Notice of Default communicated herewith as **Exhibit R-21**.

50. On August 13, 2024, Fiera was informed by RBC of several troubling facts regarding Canadoil's behaviour towards RBC:
  - a) First, FTI had uncovered that CFC had been issuing credits to its customers and re-issuing new invoices, on a monthly basis, in order to keep these accounts receivable "current", and therefore continue to be included in the RBC borrowing base calculation;
  - b) Second, Canadoil had represented to RBC that the proceeds of the Credit Agreements would be used to settle the CRA Arrears; and
  - c) Third, FTI had concluded that the margin deficit as of May 31, 2025, which was previously estimated at approximately \$4,000,000, was in fact in the amount of \$7,291,000 in a best-case scenario.
51. On August 14, 2025, Fiera's representative, Russell French, visited the Immoveable Properties with representatives from Fiera's financial advisor, Raymond Chabot Grant Thornton & Cie S.E.N.C.R.L. ("**RCGT**"), Dominic Deslandes and Philippe Côté.
52. During the site visit, Fiera and RCGT uncovered multiple new causes for concern, notably:
  - a) a lack of significant operations;
  - b) the presence of only 20 to 25 employees, while the Debtor represented to Fiera that it employs approximately 100 employees, all at the Bécancour plant;
  - c) few equipment being used by the employees that were onsite;
  - d) a very low level of raw material and finished goods inventories; and
  - e) an apparent lack of proper maintenance of the equipment and buildings (including several liquid leaks coming out of the equipment and parts of the buildings).
53. More importantly, Fiera and RCGT were only able to identify two of the 15 pieces of Tranche A Equipment by serial number and had to rely on a Canadoil employee (the business development manager who formerly held the position of general manager of the plant) to try to identify other equipment.
54. Fiera and RCGT observed that no Tranche B Equipment were present on the premises and subsequently learned, through the same Canadoil representative, that the Tranche B Advance was essentially used to cover equipment supplier deposit requirements. When requested, Canadoil failed to provide Fiera and RCI with any purchase invoice, contract, or any other detail regarding the acquisition of the Tranche A and Tranche B Equipment. As of the date of this Application, Fiera has not been provided with any document confirming that the Tranche B advance was used to make deposits in relation to new equipment purchases.

55. On August 19, 2025, each of the Applicants served on the Debtor a demand letter and a prior notice of their intent to exercise their hypothecary rights for a sale under judicial authority, which also constitutes a notice of intention to enforce their respective security pursuant to section 244 of the BIA (the “**Prior Notices**”), as appears from the Prior Notices and the bailiff’s report, communicated herewith as **Exhibit R-22** and **Exhibit R-23** respectively.
56. As appears from the certified copies of the Quebec land register, the Prior Notices were respectively published in the land register on August 20, 2025, under number 29 686 112, as appears from the certified copies of the Quebec land register dated August 20, 2025, communicated *en liasse* with the Prior Notices (Exhibits R-22 and R-23).
57. The Prior Notices were also published in the RDPRM on August 20, 2025, under numbers 25-1073502-0005 and 25-1073502-0003, as appears from a copy of the RDPRM certified statements, communicated *en liasse* with the Prior Notices (Exhibits R-22 and R-23).
58. As of the date hereof, Canadoil is in default under the terms and conditions of the Credit Agreements namely insofar as:<sup>1</sup>
- a) Under Section 10.1.10 of the Credit Agreements, an Event of Default has occurred as a result of the RBC Second Notice of Default sent on July 11, 2025, to the Debtor by RBC which, according to RBC, constitutes a notice of intention to enforce its security pursuant to section 244 of the BIA, and the filing by RBC of an application for the appointment of an interim receiver;
  - b) Under Section 10.1.17 of the Credit Agreements, an Event of Default has occurred as a result of the issuance of a judgment by the Superior Court of Québec, district of Montréal, on January 7, 2025, in file number 500-17-132229-249;
  - c) Under Section 10.1.11 of the Credit Agreements, an Event of Default has occurred as a result of the publication of a legal hypothec by Gardium Sécurité Inc. on the Debtor’s Immovable Properties and the related seizure of the Immovable Properties by a bailiff on behalf of Gardium Sécurité Inc.;
  - d) Under Section 10.1.6 of the Credit Agreements, an Event of Default has occurred as a result of the Debtor’s failure to maintain the Current Ratio over the agreed upon multiple of 1.20 in accordance with Section 8.3.3 of both Credit Agreements. As at January 31, 2025, the Current Ratio was 0.8x, as appears from the financial statements of Canadoil for the financial year ended January 31, 2025;
  - e) Under Section 10.1.7. of the Credit Agreements, an Event of Default has occurred as a result of the Debtor’s indebtedness towards the Operating Lender exceeding the maximum permitted Operating Lender Indebtedness,

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<sup>1</sup> Capitalized terms used in this paragraph have the meanings ascribed to them in the Fiera Credit Agreements.

- as defined in Section 1.1.84 in breach of the Debtor's covenant not to assume any Indebtedness except for the Permitted Indebtedness as provided for under Sections 1.1.95 and 8.2.2 of the Credit Agreements;
- f) Under Section 10.1.7 of the Credit Agreements, an Event of Default has occurred as a result of the failure to provide the Debtor's annual audited consolidated financial statements by May 31, 2025, in breach of Section 8.4.1 of the Credit Agreements;
  - g) Under Section 10.1.7 of the Credit Agreements, an Event of Default has occurred as a result of the failure to provide the CFC's annual internal financial statements and CFC's certified annual internal financial statements by May 31, 2025, in violation of Section 8.4.1 of the Credit Agreements;
  - h) Under Section 10.1.7 of the Credit Agreements, an Event of Default has occurred as a result of the Debtor's refusal or omission to deliver the additional information required by the Lender in relation to the \$3,335,786 source deduction arrears as reported in the Debtor's draft audited financial statements for the financial year ended January 31, 2025 (the "**Source Deductions Arrears**"), in breach of Section 8.4.8 of the Credit Agreements;
  - i) Under Section 10.1.4 of the Credit Agreements, an Event of Default has occurred as a result of the Debtor's failure to disclose its equity interests in the Undisclosed Subsidiaries, in breach of the representation and warranty provided by the Debtor at Section 4.1.12 of the Credit Agreements;
  - j) Under Section 10.1.7 of the Credit Agreements, an Event of Default has occurred as a result of the Debtor's failure to cause the Undisclosed Subsidiaries to promptly execute and deliver an unlimited and unconditional guarantee of the Outstanding Obligations together with first ranking Security charging all present and after-acquired assets of such Undisclosed Subsidiaries, in breach of Section 8.2.5 (a) of the Credit Agreements;
  - k) Under Section 10.1.7. of the Credit Agreements, an Event of Default has occurred as a result of the Debtor's assumption of indebtedness towards Mr. Sozzi in the context of the Debtor's dealings with US Forged Rings Inc. ("**USFR**"), which does not constitute Permitted Indebtedness, in breach of Section 8.2.2 of the Credit Agreements;
  - l) Under Section 10.1.7 of both Credit Agreements, an Event of Default has occurred as a result of the Sozzi Repayments, in breach of Section 8.2.12 of the Credit Agreements;
  - m) Under Section 10.1.7 of the Credit Agreements, an Event of Default has occurred as a result of the Debtor's failure to provide notice of the purported acquisition of intellectual property from USFR in breach of Section 8.4.12 of the Credit Agreements;

- n) Under Sections 10.1.1 and 10.1.2 of both Credit Agreements, an Event of Default has occurred as a result of the Debtor's failure to make the monthly loan payments scheduled to be made on August 15 and September 15, 2025;
- o) Under Section 10.1.7 of the Credit Agreement, an Event of Default has occurred as a result of the non-payment of the Source Deduction Arrears in breach of Section 8.1.4 of the Credit Agreements;
- p) Under Section 10.1.7 of the Credit Agreement, an Event of Default has occurred as a result of the non-payment of municipal taxes in relation to the immovable property hypothecated in favour of Fund VI, in breach of Section 8.1.4 of the Credit Agreements. In fact, there are arrears of \$98,064.49 in municipal taxes in relation to the building located at 805, Alphonse-Deshaies, Bécancour and arrears of \$60,899.75 in relation to the building located at 5500, boulevard Marie-Louise-Levasseur, Bécancour, as appears from a copy of the municipal taxes statements communicated herewith *en liasse* as **Exhibit R-24**; and
- q) It is insolvent.

(collectively, the "**Events of Default**").

#### **IV. THE APPOINTMENT OF A RECEIVER IS APPROPRIATE**

##### **A. Appointment and Powers of the Proposed Receiver**

- 59. Considering the circumstances set out above, including notably the resignation of the Debtor's directors and officers, the cessation of all commercial operations and the Debtor's insolvency, the service and publication of the Prior Notices, it is justified and appropriate that the Proposed Receiver be appointed without delay with the powers more fully set out in the Proposed Receivership Order (Exhibit R-1).
- 60. In the event that this Court appoints the Proposed Receiver, the latter will be responsible for the conservation and management of the Debtor's property and will promptly initiate a sale solicitation process as regards the Debtor's property (the "**SSP**"), as described below.
- 61. FTI has acted as Interim Receiver since August 29, 2025. As such, FTI has acquired an in-depth knowledge of the Debtor's property.
- 62. Since its appointment as interim receiver, FTI has been contacted by two parties interested in exploring a possible transaction to purchase the assets of, or the shares in, the Debtor in order to resume the operations.
- 63. Both potentially interested parties have stressed the need to avoid placing the Debtor in bankruptcy, which would result in the loss of the permits required to resume the Debtor's operations. Both potentially interested parties have also

insisted on the importance of restarting the operations as quickly as possible, failing which the Debtor’s employees will find employment elsewhere.

64. The appointment of FTI as receiver will have the following benefits and advantages compared to the realization of the Debtor’s property through a bankruptcy or a sale under judicial authority:
- a) A bankruptcy would lead to the loss of permits which are required to resume the Debtor’s operations;
  - b) A receivership allows for more flexibility in terms of transaction structures;
  - c) A receivership would allow the receiver to trigger the application of the Wage Earner Protection Program for the benefit of the Debtor’s employees; and
  - d) A receivership would allow FTI to continue its investigation into the Debtor’s affairs and property.

**B. The Sale Solicitation Process**

65. If FTI is appointed as receiver, it intends to promptly initiate a SSP to be conducted in two phases. In the first phase, the Proposed Receiver will solicit and collect non-binding letters of intent (“**LOIs**”) and determine which LOIs are considered satisfactory bids. In the second phase, the Proposed Receiver will, *inter alia*, collect binding bids and select, in consultation with the Applicants, a final successful bid for closing of the transaction.
66. It is expected that the SSP would be conducted in accordance with the following timeline:

Event	Date
<b>Phase 1</b>	
<b>Solicitation Letter</b> Proposed Receiver to distribute solicitation letter and non-disclosure agreement to potentially interested parties	October 15, 2025
<b>Phase 1 Qualified Bidders &amp; Bid Deadline</b> Deadline for delivery of non-binding LOIs	November 12, 2025
<b>Phase 1 Satisfactory Bid</b> Proposed Receiver to notify relevant bidders in writing as to whether their non-biding LOIs were selected for Phase 2	November 17, 2025

<b>Phase 2</b>	
<b>Phase 2 Qualified Bidders &amp; Bid Deadline</b> Deadline for delivery of definitive offers	December 10, 2025
<b>Selection of Final Successful Bid</b> Proposed Receiver’s deadline to select the winning bid	December 12, 2025
<b>Outside Closing Date</b>	December 19, 2025

**V. INTERIM FINANCING**

- 67. The Applicants submit that it is necessary that the Proposed Receiver be authorized to borrow an amount of up to \$650,000 for the purposes described below, the whole in accordance with the cash-flow projections (the “**Cash-Flow Projections**”) appended to the Proposed Receiver’s report dated October 9, 2025 (the “**Proposed Receiver’s Report**”) and communicated herewith as **Exhibit R-25**.
  
- 68. The Applicants and the Interim Receiver have agreed upon an interim financing term sheet (the “**Interim Financing Term Sheet**”) providing for a senior secured super priority credit facility of \$650,000 (the “**Interim Facility**”) funded on a *pro rata* basis between Fund VI and Fund VII, the whole as set forth in the Interim Financing Term Sheet communicated herewith as **Exhibit R-26**.
  
- 69. As appears from the Interim Financing Term Sheet, the Interim Facility would be used for the following purposes, in accordance with the Cash-Flow Projections:
  - a) To reimburse the amounts owing under the IR Interim Financing Facility;
  - b) To pay for the conservatory measures related to the Property;
  - c) To pay for the Proposed Receiver’s disbursements in relation to the SSP;
  - d) To pay for the professional fees and disbursements of the Receiver and the Receiver’s legal counsel, whether incurred before or after the appointment of the Proposed Receiver; and
  - e) To pay for the professional fees of the Interim Receiver incurred in relation to the Subject Property, up to a maximum of \$30,000 plus applicable taxes.
  
- 70. As appears from the Cash-Flow Projections, the Interim Facility will be sufficient to support the cash-flow needs during the period ending on November 23, 2025, i.e. Phase 1 of the SSP. Additional financing may be required to cover cash-flow needs during Phase 2 of the SSP.

71. As contemplated by the Proposed Receivership Order (Exhibit R-1), the Interim Financing would be secured by a charge over the Debtor's property in the aggregate amount of \$780,000 (the "**Interim Financing Charge**"), which charge would rank in priority to any and all other security interests, liens, charges or encumbrances of whatever nature on any of the Debtor's property, including the claims of His Majesty in Right of Canada and His Majesty in Right of a Province subject to a deemed trust.

## **VI. ADMINISTRATION CHARGE**

72. The Proposed Receiver and its counsel are essential to the successful completion of the Debtor's receivership and the SSP.
73. Therefore, the Applicants hereby seek an Administration Charge, as security for the professional fees and disbursements incurred by the Proposed Receiver and its legal counsel in connection with the receivership proceedings, a charge over the Debtor's property in the amount of \$75,000, which administration charge shall rank in propriety to any and all other security interests, liens, charges or encumbrances of whatever nature on any of the Debtor's property, including the claims of His Majesty in Right of Canada and His Majesty in Right of a Province subject to a deemed trust.

## **VII. THE PRIOR NOTICES DELAYS**

74. The Applicants respectfully submit that, given the circumstances of this case, it is justified for this Court to appoint the Proposed Receiver immediately, despite the fact that the notice period relating to the Debtor's immovable property under the Prior Notices expires only on October 19, 2025. Indeed:
- a) the Receiver will not seek this Court's approval to enter into a transaction regarding the Debtor's immovable property before the expiry of the notice period;
  - b) all commercial operations have ceased and all employees have been laid off since at least August 29, 2025;
  - c) the Debtor's directors and officers have resigned;
  - d) as appears from the Proposed Receiver's Report, the Debtor's immovable property requires significant monthly conservation costs. Accordingly, delaying the launching of the SISP will cause the Debtor's stakeholders to support unnecessary conservation costs related to the preservation and maintenance of the Debtor's property; and
  - e) none of the Debtor's other stakeholders would be prejudiced.

## **VIII. CONCLUSION**

75. In light of the foregoing, it is respectfully submitted that it is essential, just and convenient, for the protection of the Applicants' interests and claims, and those of

the Debtor's other stakeholders, that the Proposed Receiver be appointed by this Court and that it be granted the powers more fully described in the Proposed Receivership Order (Exhibit R-1).

76. The Applicants hereby propose FTI, a licensed insolvency trustee (Martin Franco, CPA, CIRP, LIT, designated representative) to act as receiver, which firm agrees to act in that capacity.
77. The Applicants submit that it is justified to order the provisional execution notwithstanding appeal of the Receivership Order, given that the remedies requested benefit all stakeholders. Furthermore, the absence of provisional execution would harm the efforts undertaken and planned, jeopardize the potential recovery for the creditors involved and the timely enforcement of the Proposed Receivership Order.

**FOR THESE REASONS, MAY IT PLEASE THE COURT TO :**

**GRANT** the present *Application for the Appointment of a Receiver*;

**ISSUE** an order substantially in conformity with the Proposed Receivership Order communicated herewith as **Exhibit R-1**;

**THE WHOLE, WITHOUT LEGAL COSTS**, save in case of contestation.

Montreal, October 9, 2025

*Blake, Cassels & Graydon L.L.P.*

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**BLAKE, CASSELS AND GRAYDON L.L.P.**

Attorneys for the Applicants,  
Fiera Private Debt Fund VI L.P. and Fiera Private  
Debt Fund VII L.P., both acting through their sole  
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Our reference : 104075-1

**AFFIDAVIT**


I, undersigned, RUSSELL FRENCH, with my principal place of business at 200 Bay Street, Suite 3800, South Tower, Toronto, Ontario, Canada M5J 2J1, solemnly affirm the following :

1. I am the Managing Director, Special Situations of Fiera Private Debt; and
2. All the facts alleged in the present *Application for the Appointment of a Receiver* are true to the best of my knowledge.

AND I HAVE SIGNED :

DocuSigned by:  
  
6165062404EA41D  
\_\_\_\_\_  
**RUSSELL FRENCH**

OATH RECEIVED by a technological means, in Montréal, this 9<sup>th</sup> day of October, 2025

DocuSigned by:  
  
1AE7CC1ED7DF4B0  
\_\_\_\_\_  
VALÉRIE J. DAVID (#242025)  
Commissioner of Oaths for the province of Québec and outside Québec

**NOTICE OF PRESENTATION**

**TO: SERVICE LIST**

**TAKE NOTICE** that the present *Application for the Appointment of a Receiver*, will be presented for adjudication before the Honorable Luc Morin, j.s.c. of the Superior Court of Quebec, sitting in the commercial division for the district of Montreal, at the Montréal Courthouse, located at 1, Notre-Dame Street East, Montréal, Québec, H2Y 1B6, on **October 14, 2025 at 11:30 a.m., in room 16.04.**

**DO GOVERN YOURSELVES ACCORDINGLY.**

MONTRÉAL, October 9, 2025

*Blake, Cassels & Graydon L.L.P.*

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**BLAKE, CASSELS AND GRAYDON L.L.P.**

Attorneys for the Applicants, Fiera Private Debt Fund VI L.P. and Fiera Private Debt Fund VII L.P., both acting through their sole general partner, Fiera Private Debt Fund GP inc.

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Our reference : 104075-1

1385-5965-0585.3

**N°: 500-11-066105-251**

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**SUPERIOR COURT  
(Commercial Division)  
DISTRICT OF MONTRÉAL**

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

Debtor

-and-

**FIERA PRIVATE DEBT FUND VI LP  
(by FIERA PRIVATE DEBT FUND GP INC.)**

-and-

**FIERA PRIVATE DEBT FUND VII LP  
(by FIERA PRIVATE DEBT FUND GP INC.)**

Applicants

-and-

**FTI CONSULTING CANADA INC.**

Interim Receiver / Proposed Receiver

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**APPLICATION FOR THE APPOINTMENT  
OF A RECEIVER  
(Sections 243 of the *BIA*)**

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**ORIGINAL**

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The logo for the law firm Blakes, featuring the name 'Blakes' in a stylized, cursive script.

**M<sup>re</sup>. Gabriel Lavery Lepage      BB-8098**

**BLAKE, CASSELS & GRAYDON LLP**

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Our File: 104075-1