



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

SUPERIOR COURT
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.

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 /
Proposed Receiver

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS INTERIM RECEIVER AND PROPOSED 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, notably 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**" or the "**Applicants**") 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, 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 Consulting Canada Inc. (the “**Interim Receiver**” or “**FTI**”) 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 day, FTI submitted to the Court 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 an application for the appointment of Raymond Chabot Inc. (“**RCI**”) as receiver over all of 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, extending the Interim Receivership Order up to October 29, 2025 (the “**Interim Receivership Order 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 but for the appointment of FTI Consulting Canada Inc. (“**Proposed Receiver**”) as proposed receiver over all of Canadoil’s property (the “**Second Receivership Application**”).
14. The purpose of the fourth report of the Interim Receiver and of the Proposed Receiver (the “**Fourth Report**”) is to update the Court with respect to:
 - a) The Interim Receiver’s activities since the issuance of the Third Report;
 - b) The cash flow results for the period ended on October 9, 2025;
 - c) The amounts owed to the employees;
 - d) The proposed action plan of the Proposed Receiver;
 - e) The Debtor cash flow for the 6-week period ending November 23, 2025 (the “**October 9 Forecast**”); and
 - f) The Proposed Receiver’s observations and recommendations with respect to the relief sought by the Applicants.
15. The Fourth Report should be read in conjunction with the Proposed Interim Receiver’s report dated August 27, 2025, the Second Report dated September 4, 2025, and the Third Report dated September 25, 2025.

TERMS OF REFERENCE

16. Unless otherwise indicated, all cash amounts referred to herein are expressed in Canadian dollars.
17. Capitalized terms that are not otherwise defined herein shall have the meaning given to them in the Second RBC Motion, the Fiera Motion, the Interim Financing Motion, the Initial Receivership Application, the Interim Receivership Order Extension Application and the Second Receivership Application.

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

18. Since the issuance of the Third Report, the Interim Receiver has performed the following tasks:
 - a) Held several discussions with RBC’s legal counsel to be in a position to issue subpoenas to various parties with the objective of obtaining various documents and/or conducting examinations;
 - b) Preliminary analysis of the various data obtained following the download of the books and records of the Debtor and CFC;
 - c) Paid the building and equipment insurance premiums;
 - d) Performed recurring site visits of the Canadoil’s premises with the support of a former employee to safeguard the assets; and

- e) Held discussions with parties that communicated with the Interim Receiver to inquire about the sale process to be implemented.
19. As of the date of this Fourth Report, the Interim Receiver is continuing its review and analysis of the significant amount of information which it has collected and intends to continue to do so, as Proposed Receiver, in the event that the Court grants the Second Receivership Application.
20. While the Interim Receiver has received a copy of the transcript from the examination of Mr. Giacomo Sozzi, a number of undertakings were subscribed to during the examination and remain to be received and analyzed. We understand that Mr. Giacomo Sozzi and his counsel are currently working on a response to the undertakings.
21. At this time, it cannot be excluded that additional examinations may need to be conducted either by FTI, in its capacity as Proposed Receiver, as the case may be, or by RBC and Fiera further to the review and analysis of the information collected by the Interim Receiver 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 OCTOBER 9, 2025

Canadoil Forge Ltd	For the period ended on October 9, 2025		Total
	RBC	Fiera	
Receipts			
Accounts receivable	152,538	-	152,538
Interim financing	-	140,000	140,000
Other deposits	1,912	-	1,912
Sales	14,482	-	14,482
GST/QST Collected	1,883	-	1,883
Total receipts	170,815	140,000	310,815
Disbursements			
Consultant fees	3,647	5,328	8,975
Insurance	-	107,729	107,729
Bank fees	-	37	37
Professional fees	107,002	-	107,002
Conservatory measures	9,467	2,405	11,872
GST/QST Paid	13,640	-	13,640
Total disbursements	133,756	115,499	249,255
Net cash variance	37,059	24,501	61,560
Cash balance at beginning	-	-	-
Cash balance at end	37,059	24,501	61,560

Notes

Accounts receivable: collection of invoices from a client.

Interim financing: corresponds to the total amount drawn from the interim financing facility of \$400K granted by Fiera.

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

Sales: sale of finished goods to a customer.

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

Insurance: building and equipment insurance premium.

Professional fees: For 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 and legal fees of McMillan LLP which provided a legal opinion on the validity of RBC’s security over the assets of the Debtor.

Conservatory measures: Fees and disbursements for taking possession, changing locks, and copying Canadoil servers.

22. As requested by this Court, the table below provides the details of the professional fees paid and incurred (taxes excluded) for the period from August 29 to October 5, 2025:

Professionals	RBC			Fiera			Total		
	Paid	Incurred	Total	Paid	Incurred	Total	Paid	Incurred	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
FTI Consulting Canada Inc.	74,223	-	74,223	-	28,788	28,788	74,223	28,788	103,011
FTI Consulting Technology Inc.	27,902	-	27,902	-	-	-	27,902	-	27,902
McMillan	4,877	-	4,877	-	-	-	4,877	-	4,877
Norton Rose Fullbright	-	-	-	-	9,500	9,500	-	9,500	9,500
	<u>107,002</u>	<u>-</u>	<u>107,002</u>	<u>-</u>	<u>38,288</u>	<u>38,288</u>	<u>107,002</u>	<u>38,288</u>	<u>145,290</u>

AMOUNTS OWED TO THE EMPLOYEES

23. As of August 29, 2025, amounts owed to employees based on preliminary information received total approximately \$765K. The table below provides details of these amounts:

Canadoil Forge Ltd	
Amounts owed to employees	
As of August 29, 2025	
	\$
Salary (92 employees)	148,217
Vacation (92 employees)	464,907
Time Bank (88 employees)	151,528
	<u>764,652</u>

24. The Proposed Receiver intends to launch the Wage Earner Protection Program as soon as possible. However, depending on the outcome of the proposed sale solicitation process (“SSP”) to be implemented by the Proposed Receiver and the nature of the potential sale transaction, a potential acquirer may decide to hire most, if not all, of the former employees. Consequently, the Proposed Receiver will be in a better position to assess the situation once it has visibility on the Phase I results of the SSP, which the Proposed Receiver, if appointed by this Court, intends to initiate as soon as practicable, as further set out below.

THE DEBTOR'S CASH FLOW FOR THE 6-WEEK PERIOD ENDING NOVEMBER 23, 2025

25. The Proposed Receiver prepared the October 9 Forecast for the 6-week period ending on November 23, 2025 (the “**Cash Flow Period**”) for the purpose of projecting Canadoil’s estimated liquidity needs during the Cash Flow Period. A copy of the October 9 Forecast is attached as **Appendix A** to this Fourth Report.
26. The October 9 Forecast shows total disbursements of \$800K during the Cash Flow Period, as summarized below:

Canadoil Forge Ltd Cash Flow for the 6-week period ending November 23, 2025 Week ending	Total \$
Receipts	
Interim Financing	650,000
Advances from Royal Bank of Canada	88,841
Cash on hand of the Interim Receiver - RBC	37,059
Cash on hand of the Interim Receiver - Fiera	24,501
	<hr/>
	800,401
Disbursements	
Consultant (former employees)	13,000
Energy	120,000
Insurance	35,000
Professional fees - Receivership	326,200
Professional fees - Investigation	125,900
Conservative measures, inventory and appraisal	25,000
Interim Financing	140,000
Contingency	15,000
	<hr/>
	800,100
Net cash variation	301
Cash - Beginning balance	-
	<hr/>
	301

27. The Proposed Receiver’s prepared the October 9 Forecast based on inquiries, analytical procedures and discussion related to information supplied.
28. Since the October 9 Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the assumptions occur, and the variations may be material. Accordingly, the Proposed Receiver expresses no assurance as to whether the October 9 Forecast will be achieved.
29. The October 9 Forecast has been prepared solely for the purpose described in Note A on the face of the October 9 Forecast and readers are cautioned that it may not be appropriate for other purposes.

THE PROPOSED ACTION PLAN

30. If the Court grants the receivership order and appoints the Proposed Receiver, FTI plans to immediately launch the SSP, which will be conducted in two (2) phases.
31. In the first phase, the Proposed Receiver will solicit and collect non-binding letters of intent (“**LOIs**”) and evaluate which LOIs constitutes satisfactory bids. The objective behind the relatively short period allotted for Phase I is to gauge the level of interest of potential purchasers who have as an objective the relaunch of the operations, while limiting professional fees for that initial step. This approach will also allow financing needs for a potential Phase 2 to be assessed more precisely.
32. In the second phase, the Proposed Receiver will, among other things, collect binding offers and, in consultation with the Applicants, select a final successful bid for the closing of a transaction.

33. It is expected that the SSP will be conducted in accordance with the following timeline:

Event	Date
Phase I	
Distribution of solicitation letter and non-disclosure agreement to potentially interest parties	October 15, 2025
Deadline for delivery of non-binding LOIs	November 12, 2025
Proposed Receiver to notify relevant interested parties in writing as to whether their non-binding LOIs were selected for Phase II	November 17, 2025
Phase II	
Delivery of binding offers	December 10, 2025
Proposed Receiver's deadline to select the winning bid	December 12, 2025
Closing of the transaction	December 19, 2025

34. The Proposed Receiver is of the view that the SSP and the milestones described above are reasonable and appropriate in the circumstances and will ensure that the realization value of the assets is maximized for the benefit of the Debtor's stakeholders, including its creditors.

THE PROPOSED RECEIVER'S OBSERVATIONS AND RECOMMENDATIONS WITH RESPECT TO THE RELIEF SOUGHT BY THE APPLICANTS.

A. Approval of the interim financing term sheet and interim lender's charge

35. On October 9, 2025, the Interim Receiver agreed upon an interim financing term sheet (the "**Interim Financing Term Sheet**"), copies of which have been filed as exhibits of the Second Receivership Application, which essentially provided an interim financing to support the cash flow needs during the Cash Flow Period to be provided by Fiera Private Debt Fund VI LP ("**Fund VI**") and Fiera Private Debt Fund VII LP ("**Fund VII**") (collectively, the "**Interim Lenders**").

36. Subject to the terms and conditions of the Interim Financing Term Sheet, the Interim Lenders have agreed to lend up to \$650,000 (the "**Interim Facility Amount**") to the Proposed Receiver during the Cash Flow Period, to:

- a) reimburse the amounts owing under the Interim Financing Facility made available by Fiera during the interim receivership;
- b) pay the conservatory measures related to Canadoil's property;
- c) pay for the Proposed Receiver's fees and disbursements in relation to the SSP;
- d) pay the professional fees and disbursements of the Proposed Receiver and the Proposed Receiver's legal counsel, whether incurred before or after the appointment of the Proposed Receiver, directly related to these proceedings; and
- e) pay the professional fees of the Interim Receiver incurred in relation to Fiera's property, up to a maximum of \$30,000 before taxes.

37. Subject to the satisfaction of the conditions precedent, the Interim Facility Amount shall be available to the Proposed Receiver in \$50K increments, each advances which, in the aggregate, shall not exceed the Interim Facility Amount.

38. To secure all obligations and indebtedness of the Proposed Receiver, the Interim Lenders request that a charge in an amount of \$780,000 (the "**Interim Lenders' Charge**") be granted on all of the Debtor's present and future assets.

39. The advances of the Interim Facility Amount will bear interest, from the date of the funding thereof at an annual rate equal to (i) 8.26% per annum, for the monies advances by Fund VI; and (ii) 8.00% per annum, for the monies advances by Fund VII.

40. The Interim Facility Amount is, repayable in full on the “**Maturity Date**”, being the earliest of:
- a) The date on which the Interim Lenders demand repayment of the Interim Facility Amount after the occurrence of an event of default;
 - b) The closing of the sale of substantially all of the Canadoil’s property;
 - c) The termination of the Receivership Order; and
 - d) January 31, 2026.
41. The Interim Financing Term Sheet contains terms, conditions, affirmative covenants, negative covenants and events of default which are, in the Proposed Receiver’s view, customary for this type of financing, including the granting of the Interim Lenders’ Charge, with priority to all other encumbrances, subject in priority only to an administration charge for an amount of \$75,000, as set out in the Proposed Receivership Order.

B. The Proposed Receiver’s Comments and Recommendation on the Interim Financing Term Sheet

42. Pursuant to section 31 of the *Bankruptcy and Insolvency Act* (the “**BIA**”), a receiver, with the authorization of the Court, can borrow money and give security on the debtor’s property in any amount, on any terms and on any property that may be authorized by the Court and those advances, obligations and money borrowed must be repaid out of the debtor’s property in priority to the creditors’ claims.
43. The Debtor currently has no operations and therefore will not be able to pay its post-filing obligations as they become due absent the requested authorization to borrow money in accordance with the terms and conditions set forth in the Interim Financing Term Sheet.
44. Based on the October 9 Forecast, and subject to its underlying assumptions, it is believed that the Interim Financing Term Sheet provides sufficient liquidity to fund the Debtor’s needs until the end of the first phase of the SSP.
45. As per the Proposed Receivership Order, the Proposed Receiver will manage the business and affairs of the Debtor during the proceedings. It is not the intention of the Proposed Receiver to relaunch the Debtor’s operations. If this Court appoints FTI as receiver, FTI merely intends to put the assets in a care and maintenance mode during the SSP.
46. The Proposed Receiver is of the view that the objective of maximizing the value of the Debtor’s assets will be best achieved through the implementation of conservatory measures while the SSP is being implemented and will be dependent on the outcome of the SSP.
47. It is the Proposed Receiver’s respectful submission that no creditor will be materially prejudiced, to the contrary, the maximization of the value of the Debtor’s assets will benefit the Debtor’s creditors generally.
48. Based on the foregoing, the Proposed Receiver is of the view that, in the present circumstances, the Interim Financing Term Sheet represents the best option currently available that would provide access to financing within the necessary timeframe and that the terms and conditions provided for in the Interim Financing Terms Sheet are reasonable under the circumstances, including the granting of the Interim Lenders’ Charge to secure the reimbursement of the obligations under the Interim Financing Term Sheet. The requested Interim Lenders’ Charge would have priority over any and all other security interests, liens, charges or encumbrances of whatever nature on any of the Debtor’s assets, including the claims of Her Majesty in Right of Canada and Her Majesty in Right of a Province subject to a deemed trust, except for the Administration Charge (as defined below).
49. Accordingly, the Proposed Receiver respectfully recommends that the Court grant the Applicants’ request for approval of the Interim Financing Term Sheet and the granting of the Interim Lenders’ Charge.
50. It is respectfully submitted that it is appropriate and reasonable in the circumstances, is limited to what is necessary, and should be granted in accordance with the relief sought in the Second Receivership Application.

C. The Proposed Receiver's Comments and Recommendation on the Administration Charge

51. The Applicants are requesting, in the application, the granting of a charge on the assets to secure the fees, expenses, and disbursements incurred by the Proposed Receiver and its counsel (the "**Administration Charge**") in the context of these proceedings under the *BIA*, up to an amount of \$75,000. The requested Administration Charge would have priority over any and all other security interests, liens, charges or encumbrances of whatever nature on any of the Debtor's assets, including the claims of Her Majesty in Right of Canada and Her Majesty in Right of a Province subject to a deemed trust.
52. It is respectfully submitted that the Administration Charge is appropriate and reasonable in the circumstances, is limited to what is necessary, and should be granted in accordance with the relief sought pursuant to the Second Receivership Application.

The Interim Receiver and Proposed Receiver respectfully submits to the Court its Fourth Report.

Dated in Montreal, this 9th day of October, 2025.

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,
Managing Director

Appendix A

Canadoil Forge Ltd	Phase I							Total
Cash Flow for the 6-week period ending November 23, 2025	1	2	3	4	5	6		
Week ending	19-Oct	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	Total	
	\$	\$	\$	\$	\$	\$	\$	
Receipts								
Interim Financing	400,000	-	-	250,000	-	-	650,000	
Advances from Royal Bank of Canada	-	50,000	-	-	38,841	-	88,841	
Cash on hand of the Interim Receiver - RBC	37,059	-	-	-	-	-	37,059	
Cash on hand of the Interim Receiver - Fiera	24,501	-	-	-	-	-	24,501	
	461,560	50,000	-	250,000	38,841	-	800,401	
Disbursements								
Consultant (former employees)	1,800	1,400	1,400	3,500	3,500	1,400	13,000	
Energy	60,000	-	-	60,000	-	-	120,000	
Insurance	-	-	35,000	-	-	-	35,000	
Professional fees - Receivership	63,000	49,400	46,000	46,000	49,400	72,400	326,200	
Professional fees - Investigation	32,900	18,600	18,600	18,600	18,600	18,600	125,900	
Conservative measures, inventory and appraisal	-	5,000	5,000	5,000	5,000	5,000	25,000	
Interim Financing	140,000	-	-	-	-	-	140,000	
Contingency	2,500	2,500	2,500	2,500	2,500	2,500	15,000	
	300,200	76,900	108,500	135,600	79,000	99,900	800,100	
Net cash variation	161,360	(26,900)	(108,500)	114,400	(40,159)	(99,900)	301	
Cash - Beginning balance	-	161,360	134,460	25,960	140,360	100,201	-	
	161,360	134,460	25,960	140,360	100,201	301	301	

APPENDIX A

NOTE A – PURPOSE

The purpose of these cash-flow forecast is to determine the liquidity requirements of the Debtor during the SSP Period.

NOTE B - GENERAL

The October 9 Forecast has been prepared by the Proposed Receiver using probable and hypothetical assumptions set out in the notes to the October 9 Forecast.

The Proposed Receiver's review of the October 9 Forecast consisted of inquiries, analytical procedures and discussions related to information supplied. Since the hypothetical assumptions need not be supported, the Proposed Receiver's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the October 9 Forecast. The Proposed Receiver also reviewed the support provided for the probable assumptions, and the preparation and presentation of the October 9 Forecast.

NOTE C – ASSUMPTIONS

Assumptions	Source
Cash balance at beginning	Based on current bank balances.
Forecast cash receipts	
Interim Financing	Based on the Interim Financing Term Sheet.
Royal Bank of Canada	Based on the estimate of professional fees related to the investigation and potential additional examinations.
Cash on hand of the Interim Receiver – RBC	Based on current bank balances.
Cash on hand of the Interim Receiver – Fiera	Based on current bank balances.
Forecast cash disbursements	
Consultant (former employees)	Proposed Receiver's estimates to be incurred during the forecasted period for former employees who will support the Proposed Receiver.
Energy	Based on historical value and after taking into consideration the plant shutdown, the energy expense has been estimated at \$20,000 per week.
Insurance	Based on the financing contract with First Insurance Company.
Professional fees – Receivership	Based on our experience for work that will be performed by the Proposed Receiver to secure the assets and implement the SSP.
Professional fees- Investigation	Based on our experience for the work that needs to be done in relation with the investigation.
Conservative measures, inventory and appraisal, and Contingency	Based on our experience for the work to be performed during the forecasted period.
Interim Financing	Represents the amounts due to Fiera related to the interim financing provided during the interim receivership period.