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BANKRUPTCY AND INSOLVENCY FAILLITE ET INSOLVABILITE

COURT/ESTATE FILE NUMBER	**24-3389146** **24-3389147** **24-3389148**
COURT	**COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY**
JUDICIAL CENTRE	**EDMONTON**
FILING PARTY	**G. CHAN & ASSOCIATES INC.**
DOCUMENT	**SECOND REPORT OF THE PROPOSAL TRUSTEE** **IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985 C. B-3** **AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF** **ONSITE3D LTD.,** **ONSITE3D INDUSTRIAL SERVICES LTD.,** **ONSITE3D DIGITAL SOLUTIONS LTD.** **DATED JULY 21, 2026**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**PROPOSAL TRUSTEE:** **G. CHAN & ASSOCIATES INC.** 201, 9426 51 AVE NW EDMONTON, ALBERTA T6E 5A6 **ATTENTION: GARRETT CHAN, CIRP, LIT** TELEPHONE: 780.619.7616 FACSIMILE: 780.306.4986 EMAIL: garrett@gcalit.ca **COUNSEL:** **SHAREK LOGAN & VAN LEENEN LLP** 2100, 10060 JASPER AVENUE NW EDMONTON, ALBERTA T5J 3R8 **ATTENTION: DAVID ARCHIBOLD** TELEPHONE: 780.413.3100 EMAIL: darchibold@sharekco.com

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Introduction

1. Onsite3D Ltd. (**"Onsite3D"**), Onsite3D Industrial Services Ltd. (**"Onsite3D Industrial"**), and Onsite3D Digital Solutions Ltd. (**"Onsite3D Digital"**) (collectively, the **"Companies"**) each filed a Notice of Intention to Make a Proposal (each an **"NOI"**) pursuant to s. 50.4 of the Bankruptcy and Insolvency Act (**"BIA"**) on June 22, 2026 (the **"NOI Date"**), and G. Chan & Associates Inc. was appointed as proposal trustee in each of the Companies' proposal proceedings (in such capacities, the **"Proposal Trustee"**).

2. On July 9, 2026, this Honourable Court granted an Order (the **"First Extension Order"**) that, *inter alia*, provided the Companies with the following relief:

   a. extended the stay of proceedings and time for the Companies to file a proposal to September 5, 2026;

   b. granted the first priority Administration Charge in the amount of $250,000 over the Companies' current and future property to secure the fees of Debtor Counsel, the Proposal Trustee, and Trustee Counsel; and

   c. administratively consolidated the three NOI proceedings; and

   d. authorized the Service Provisions.

3. The Companies have filed an application returnable July 22, 2026 (the **"DIP Application"**) for, *inter alia*, the following relief:

   a. an Order approving an interim lending term sheet for debtor-in-possession financing dated July 20, 2026 (the **"DIP Term Sheet"**), between the Companies, as borrowers, and Turtle Island Engineering & Consulting Ltd. (the **"Interim Lender"** or **"Turtle Island"**), as lender, providing for a term loan facility of up to $1,000,000 (the **"Interim Financing"** or the **"DIP Loan"**);

   b. an Order granting a security and charge over all of the Companies' present and after-acquired property (the **"Property"**) in favour of the Interim Lender to secure all amounts advanced under the DIP Term Sheet (the **"Interim Lender's Charge"**); and

   c. a declaration that the Administration Charge and the Interim Lender's Charge (together, the **"BIA Charges"**) rank in priority to all other charges, security interests, liens, trusts, and deemed trusts against the Property, and that as between themselves the BIA Charges rank: first, the Administration Charge; and second, the Interim Lender's Charge.

4. The purpose of this second report of the Proposal Trustee (the **"Second Report"**) is to provide the Court with:

   a. information regarding the Proposal Trustee's and the Companies' activities since the First Report;

b. a comparison of the Companies' actual cash flow results to the Initial Cash-Flow Projections;

c. the Proposal Trustee's report on a material adverse change in the Companies' projected cash-flow and financial circumstances, made pursuant to s. 50.4(7)(b)(ii) of the BIA;

d. information regarding the Companies' efforts to obtain interim financing and a summary of the DIP Term Sheet; and

e. the Proposal Trustee's comments on the relief sought in the DIP Application, including its analysis of the factors enumerated in s. 50.6(5) of the BIA and its review of the terms of the Interim Financing.

5. The DIP Application is being brought by the Companies on an emergent basis. Due to the urgency with which the DIP Application has been brought and the expedited time to prepare this Second Report, the Proposal Trustee has not received notice from any party consenting to or opposing the relief sought in the DIP Application as at the date of this Second Report.

Background and notice to reader

6. In preparing this report, the Proposal Trustee has relied on unaudited financial information, the books and records of the Companies, and discussions with Management, interested parties, and stakeholders. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. The Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon by the Proposal Trustee in preparing this report.

7. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of Management. While the Proposal Trustee has reviewed the information, the Proposal Trustee has not performed an audit or other verification of such information. Future-oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.

8. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report.

9. Capitalized terms used but not defined in this Second Report have the meanings given to them in the First Report.

10. All references to currency are in Canadian dollars unless otherwise stated.

Proposal Trustee's activities since the First Report

11. Since the date of the First Report, the Proposal Trustee has taken the following steps:

    a. attended the hearing of the First Extension Application on July 9, 2026;

    b. participated in regular update calls and correspondence with Management and Debtor Counsel regarding the Companies' cash-flow, restructuring efforts, and search for interim financing;

    c. reviewed the DIP Application materials and posted them to the website maintained by the Proposal Trustee for the purpose of these proceedings in accordance with the Service Provisions; and

    d. prepared this Second Report.

Companies' activities since the First Report

12. Since the date of the First Report, the Companies have:

    a. broadly solicited interim financing proposals from a number of potential lenders;

    b. negotiated and executed the DIP Term Sheet with the Interim Lender;

    c. engaged a Chief Financial Officer to support the Companies' restructuring;

    d. continued to work to identify and quantify creditor claims and work with the Proposal Trustee in the preliminary steps toward formulating a proposal;

    e. continued the decommissioning of the Robofab manufacturing platform to relocate the assets from the Clairmont Premises to a location in Blackfalds to reduce overhead and in preparation for a potential transaction; and

    f. continued to secure new sources of revenue on the Onsite3D Digital business.

Actual cash flow results relative to the Initial Cash-Flow Projections

13. The Companies' actual consolidated receipts and disbursements for the three-week period from the NOI Date to July 10, 2026, compared to the Initial Cash-Flow Projections, are summarized in Appendix "A" and below.

14. For the three weeks ended July 10, 2026, on a consolidated basis: (i) collections of pre-filing accounts receivable totalled approximately $303,301, compared to approximately $280,455 projected, a favourable variance of approximately $22,846; (ii) operating disbursements totalled approximately $136,688, compared to approximately $160,381 projected, a favourable variance of approximately $23,692; and (iii) the Companies' closing cash position at July 10, 2026 was approximately $11,952, compared to approximately $1,717 projected. Variances to date are principally attributable to timing of collections and disbursements and to an opening cash balance of approximately $23,800 that was not reflected in the Initial Cash-Flow Projections.

15. While the net cash-flow variance of negative $7,895 is relatively neutral, the Proposal Trustee notes this is largely due to the restrained liquidity of the Companies causing deferral of material disbursements including CRA payroll remittances, wages, rent, and utilities.

Report on material adverse change

16. As noted in the First Report, the Initial Cash-Flow Projections materially assumed that the Companies would obtain interim financing of $650,000 by the week ending July 17, 2026.

17. Such financing was not obtained. Consequently, the Companies were unable to meet certain of their post-filing obligations as they came due, including employee source deduction remittances to CRA in respect of post-NOI payroll.

18. The Proposal Trustee has therefore determined that a material adverse change has occurred in the Companies' projected cash-flow and financial circumstances, being: (i) the failure to obtain the interim financing assumed in the Initial Cash-Flow Projections by the week ending July 17, 2026; and (ii) the resulting failure to remit post-filing employee source deductions to CRA when due (together, the **"Material Adverse Change"**). This Second Report constitutes the Proposal Trustee's report on the Material Adverse Change pursuant to s. 50.4(7)(b)(ii) of the BIA, and is being provided to the Court, the Official Receiver and to the Companies' creditors.

19. As a result of the missed post-filing remittances, CRA is presently in a position to exercise collection remedies notwithstanding the stay of proceedings. Any such action would immediately terminate the Companies' ability to operate. As of the date of this report, the Proposal Trustee is not aware of the CRA taking any collection or enforcement measures.

20. The Interim Financing directly responds to the Material Adverse Change. The first installment of $150,000 under the DIP Term Sheet (the **"First Installment"**) is being made available specifically to fund the outstanding post-filing CRA source deduction remittances and critical employee payroll, thereby curing the missed remittances and restoring the Companies' compliance with their post-filing obligations.

21. The remaining $850,000 (the **"Second Installment"**), which is conditional on the Court granting the Interim Lender's Charge, is required to fund the Companies' operations, post-filing obligations, and the professional costs of these proceedings through the balance of the restructuring.

22. In the Proposal Trustee's view, if the Interim Financing is approved, the circumstances giving rise to the Material Adverse Change will have been substantially addressed; if it is not approved, the Companies will be unable to continue as a going concern, and a bankruptcy or liquidation outcome will necessarily follow. The Interim Financing is discussed in more detail below.

The Companies' search for interim financing

23. Since the NOI Date, the Companies have broadly solicited interim financing proposals from prospective lenders. The Proposal Trustee was kept apprised of these efforts, which included the preparation and circulation of supporting diligence materials to multiple prospective arm's length lenders familiar with lending in an insolvency and restructuring context.

24. Notwithstanding these efforts, no arm's length lender committed to advance interim financing within the timeline required by the Companies' liquidity position.

25. On July 20, 2026, the Companies executed the DIP Term Sheet with Turtle Island, a party related to the Companies, to provide interim financing of $1,000,000. Given the urgency created by the Material Adverse Change, the Companies determined, and the Proposal Trustee agrees, that the executed DIP Term Sheet represented the only financing actually available to the Companies within the required timeframe.

The DIP Term Sheet

26. The DIP Term Sheet is appended as Exhibit "D" to the First Affidavit of Kyle Pickering sworn July 20, 2026 (the **"First Pickering Affidavit"**). Its material terms are summarized as follows:

Section	Terms
Borrowers	The Companies
Lender	Turtle Island Engineering & Consulting Ltd.
Facility	A term loan of up to a maximum aggregate principal amount of $1,000,000, advanced in two installments First Installment of $150,000, made available by no later than July 20, 2026, for the purpose of funding critical payments, being CRA remittances and employee payroll Second Installment of $850,000, to be made available upon Court approval of the DIP Loan, the DIP Term Sheet, and the Interim Lender's Charge, and advanced from time to time based on the Companies' cash-flow requirements
Interest	16% per annum
Fees	The Companies are responsible for the Interim Lender's reasonable legal and advisory expenses on a solicitor-and-client full indemnity basis

Section	Terms
Maturity	The earliest of: • December 22, 2026 • The closing of a transaction affecting all or a material part of the Companies’ assets • The expiry or termination of the NOI proceedings or the bankruptcy of the Companies • Acceleration following an event of default
Use of Proceeds	To fund the Companies’ cash-flow requirements on a going-concern basis in the normal course during the NOI proceedings
Covenants and Reporting	Must not make payments on account of pre-filing obligations without the prior consent of the Proposal Trustee and the Interim Lender
Security	A fixed and specific security interest over all of the Companies’ present and after-acquired property to be elevated by the Court-ordered Interim Lender’s Charge ranking in priority to all security interests, claims, and deemed trusts (statutory or otherwise), subordinate only to the Administration Charge

27. The Proposal Trustee draws the following features of the DIP Term Sheet to the Court’s attention:

    a. the First Installment is contemplated to be advanced prior to Court approval of the Interim Lender’s Charge to permit the Companies to immediately cure the missed CRA remittances and fund critical payroll to mitigate the Material Adverse Change. The urgency of those payments did not permit the matter to be brought before the Court in advance. The relief being sought on the DIP Application provides that the Interim Lender’s Charge secures all advances under the DIP Term Sheet, including the First Installment.

    b. the maturity date of December 22, 2026, corresponds to the approximate outside date of the NOI proceedings, being approximately six months from the NOI Date assuming all available extensions under s. 50.4(9) of the BIA are sought and granted. Interest on a fully drawn facility at 16% per annum over the approximately five-month period from the initial advances to maturity would accrue to approximately $67,000 and would be less if the full amount is not advanced.

Observed market terms for comparable interim financing

28. To assist the Court in assessing the reasonableness of the terms of the Interim Financing, the Proposal Trustee reviewed publicly available Canadian court-approved DIP and interim financing arrangements ordered in the twelve months preceding this Second Report, under both s. 50.6 of the BIA and s. 11.2 of the *Companies' Creditors Arrangement Act*. Nine precedents were identified involving facilities of $10 million or less. The full schedule of precedents is attached as Appendix "B".

29. The observed range of disclosed effective annualized interest rates for in-scope sub-$10 million facilities was approximately 4.45% to 15.50% per annum. The 16% per annum rate under the DIP Term Sheet sits at the upper edge of, and approximately 0.5% above, the highest disclosed in-scope comparator.

30. However, unlike most comparators, the DIP Term Sheet carries no advance fees, no commitment fee, no standby fee, no break or exit fee, and no monthly monitoring fee. These fees range from 2% to 3% and often increase the total cost of borrowing to over 20% per annum. On a total-cost-of-borrowing basis over the approximately five-month runway to maturity, the zero-fee in the DIP Term Sheet likely more than offsets the higher headline interest rate.

31. Taken as a whole, the Proposal Trustee considers the interest-and-fee package under the DIP Term Sheet to be within the range of outcomes Canadian courts have sanctioned for comparable-size distressed operating companies in the twelve months preceding this Second Report.

32. The Proposal Trustee is not aware of any creditor willing to provide financing on more favourable terms or without requiring a super-priority charge.

Related-party lender considerations

33. Turtle Island is a related party to the Companies. According to the Alberta Corporate Registry search appended as Exhibit "E" to the First Pickering Affidavit, Turtle Island was incorporated on June 23, 2026, one day after the NOI Date, and its sole director is Mr. Wade Tyler Eno, who is also a director of each of the Companies.

34. Related-party interim financing is not unusual in the Canadian market and has been approved by superior courts on multiple occasions. The Proposal Trustee notes, however, that in each of those precedents the related-party lender had an established pre-filing business identity. Turtle Island, by contrast, was newly incorporated following the NOI filings and does not have a pre-filing operating history on the record.

35. The Proposal Trustee has been advised that Turtle Island was incorporated for the purpose of formalizing an indigenous coalition of six indigenous communities to source and fund business opportunities through indigenous procurement channels in furtherance of the Truth and Reconciliation Commission.

36. In the circumstances, including the unsuccessful canvass of arm's length lenders, and the urgency created by the Material Adverse Change, the Proposal Trustee is of the view that the related party Interim Financing is reasonable in the circumstances.

Proposal Trustee's comments on the proposed Interim Financing – s. 50.6(5) factors

37. In deciding whether to make an order under s. 50.6 of the BIA, the Court is to consider, among other things, the factors enumerated in s. 50.6(5) of the BIA. The Proposal Trustee's observations on each factor are as follows.

38. **(a) The period during which the Companies are expected to be subject to proceedings.** The Interim Financing is priced and structured for a defined, short-runway NOI proceeding. The stay currently extends to September 5, 2026, and the DIP Term Sheet matures on December 22, 2026, approximately the outside limit of the NOI proceedings. The facility does not extend beyond the horizon of these proceedings.

39. **(b) How the Companies' business and financial affairs are to be managed during the proceedings.** The Companies will continue under existing Management, supplemented by a recently engaged Chief Financial Officer, and the oversight of the Proposal Trustee will provide the Court and stakeholders with continuing visibility into the deployment of the Interim Financing.

40. **(c) Whether Management has the confidence of its major creditors.** The Proposal Trustee understands from the First Pickering Affidavit that Factors Western, the first-registered secured creditor of Onsite3D, has been consulted and is supportive of the DIP Term Sheet. CNV, through counsel, has expressed concerns with Turtle Island being a related party, the cost of financing, and the lack of visibility on a viable proposal or transaction at the current stage of the proceedings. The Proposal Trustee notes that a number of unrelated lenders were solicited before Turtle Island became involved. Proceeding with a related party became the only viable option after the occurrence of the Material Adverse Change that required an immediate source of funding. The cost of financing is in line with or favourable compared to financings of similar nature as noted earlier in this report. With respect to a proposal or transaction, the Companies' efforts have been largely focused on remaining operationally viable and sourcing the DIP Term Sheet. The going concern value that may be realized from the Companies' technical know-how, data, and intangible assets require appropriate process that could not be addressed with severely constrained liquidity in the first 30 days. In the event that the Court approves the DIP Term Sheet, the Companies will be able to explore strategic transactions that will be the basis of a proposal.

41. **(d) Whether the loan would enhance the prospects of a viable proposal.** Absent the Interim Financing, the Companies will have exhausted their liquidity and are exposed to immediate CRA collection action in respect of the missed post-filing remittances. The Companies will be unable to fund payroll, suppliers, or the professional costs required to advance a proposal. The Interim Financing is a threshold requirement for any going-

concern outcome. As noted in the Initial Cash-Flow Projections, the Interim Financing is addressing a trough in cash-flow and organic net cash-flow is anticipated to turn positive indicating going concern value from the Onsite3D Digital business, which value is largely intangible and preserved best through going-concern continuity. Accordingly, in the Proposal Trustee's view, the Interim Financing materially enhances the prospects of a viable proposal.

42. **(e) The nature and value of the Companies' property.** The Companies' asset base comprises accounts receivable and work-in-progress on active engineering contracts, specialized surveying, reality-capture, robotic fabrication equipment, leased and financed equipment, and intangible value in certifications, customer relationships, and the technical workforce. The collateral pool is weighted toward assets which value maximization is materially dependent on the continuation of the enterprise as a going concern.

43. **(f) Whether any creditor would be materially prejudiced by the charge.** In the Proposal Trustee's view, no creditor would be materially prejudiced by the Interim Lender's Charge. The Interim Financing provides a pathway to a going-concern and subsequent transaction or proposal that enhances recovery for all creditors.

44. **(g) The Proposal Trustee's report on the cash-flow statement.** The Proposal Trustee's report on the reasonableness of the Initial Cash-Flow Projections was filed with the NOIs in accordance with s. 50.4(2)(b) of the BIA. A revised cash-flow has not yet been prepared due to the urgency of the DIP Application. The Proposal Trustee's comments regarding the incremental changes from the Initial Cash-Flow Projections due to the Interim Financing are discussed below.

Revised cash-flow projections

45. The incremental changes from the Initial Cash-Flow Projections, so far as they are known at this stage, are as follows:

    a. (i) the interim financing is sized at $1,000,000 rather than the $650,000 assumed in the Initial Cash-Flow Projections

    b. (ii) interest on the Interim Financing will accrue at 16% per annum under the executed DIP Term Sheet, rather than the 12% per annum assumed in the Initial Cash-Flow Projections, with all amounts payable at maturity rather than through periodic repayments;

    c. (iii) the timing of the payment of professional costs and deferred obligations has shifted to follow the receipt of the Second Installment; and

    d. (iv) the payment of pre-filing wage arrears, discussed below, remains under review and is not assumed to proceed in the near term.

46. The Proposal Trustee will work with Management to finalize a revised cash-flow forecast reconciled to the executed DIP Term Sheet and will file it with the Court and post it to the Proposal Trustee's website promptly, and in any event in connection with the Proposal

Trustee's next report. In the interim, the weekly variance reporting required under the DIP Term Sheet, which the Proposal Trustee will independently review, provides a monitoring framework for draws under the facility.

Pre-filing wage arrears

47. As noted in the First Report, the Initial Cash-Flow Projections assumed that employees owed pre-filing wage arrears estimated at approximately $297,100, would be paid from the Interim Financing proceeds for the purpose of retaining employees who contribute toward the going concern value of the Companies.

48. Under the DIP Term Sheet, no payment may be made on account of obligations owing as at the NOI Date without the prior consent of the Proposal Trustee and the Interim Lender.

49. The Proposal Trustee has requested from Management a detailed listing of the employees proposed to be paid, their roles, the amount and composition of the arrears for each, and the basis on which their retention is critical to preserving the going-concern value of the business.

50. The Proposal Trustee will assess any proposed payment against the criticality of the affected employees to the Companies' operations and will report to the Court on any consent given.

Conclusions and recommendations

51. A material adverse change has occurred in the Initial Cash-Flow Projections. In the Proposal Trustee's view, the proposed Interim Financing addresses that change: the First Installment would cure the missed post-filing CRA remittances and fund critical payroll, and the Second Installment will provide the liquidity necessary for the Companies to continue operating, meet their post-filing obligations as they come due, and advance the formulation of a proposal, including a Court-supervised sale process for the Robofab assets and the continued development or strategic transaction of the digital engineering business.

52. The Interim Financing is the only financing available to the Companies within the required timeframe, and it remains the only available path to a going-concern outcome — an outcome for which, based on the information available to the Proposal Trustee, including the Companies' intangible technological assets, contract pipeline, and positive cash-flow, there appears to be value to preserve.

53. The Proposal Trustee is of the view that the terms of the DIP Term Sheet, taken as a whole, are commercially reasonable and within the range of terms approved by Canadian courts for comparable facilities and the BIA s. 50.6(5) factors, considered together, support the granting of the relief sought.

54. A material portion of the Interim Financing was assumed in the Initial Cash-Flow Projections to be used to pay pre-filing wage arrears. The DIP Term Sheet contemplates that any pre-filing amounts may only be paid with the consent of the Proposal Trustee.

The Proposal Trustee has requested the detailed composition of the proposed payments and will assess such payments and seek further advice and direction from the Court as required.

55. The Proposal Trustee accordingly respectfully recommends that this Honourable Court grant the relief sought in the DIP Application.

Respectfully submitted this 21st day of July 2026.

G. CHAN & ASSOCIATES INC.
Trustee in the Matter of the Proposals of
Onsite3D Ltd., Onsite3D Industrial Services Ltd.,
and Onsite3D Digital Solutions Ltd.
And not in its personal capacity

Signed by:
Garrett Chan
8D032DF7978049E...

Per: Garrett Chan, CIRP, LIT
President

Appendix “A”

Comparison of Actual to Projected Cash Flow – Weeks 1–3

Onsite3d Ltd. – Initial Cash-Flow Variance

For the three weeks ending July 10, 2026 In CAD	*Forecast*	*Actual*	*Variance*
Opening cash balance	-	*23,826*	*23,826*
	-	-	-
Cash Receipts and inter-company transfers	-	-	-
Collection of outstanding receivables	*280,455*	*303,301*	*22,846*
Collection of new revenue	-	-	-
Cash transfer (to)/from subsidiaries	*(124,053)*	*(178,487)*	*(54,434)*
	156,402	***124,814***	***(31,587)***
Cash Disbursements			
Operating Expenses			
Back wages	-	-	-
One-time expenses	-	-	-
Wages, salaries, and benefits	*46,060*	*62,499*	*(16,438)*
CRA	*7,547*	-	*7,547*
Office rent + Cleaning	*14,000*	-	*14,000*
WCB	-	-	-
Vehicle and equipment leases	*2,530*	*2,530*	-
Insurance	-	-	-
Soft./Equipment subs. & licenses	*10,600*	*7,400*	*3,200*
Phones and Internet	*4,400*	*800*	*3,600*
Utilities	*2,000*	-	*2,000*
Fuel	*8,042*	*8,542*	*(500)*
Other expenses	*58,944*	*54,917*	*4,027*
	154,124	***136,688***	***17,436***
Other Disbursements			
GST	*6,257*	-	*6,257*
	6,257	**-**	***6,257***
Total operating disbursements	***160,381***	***136,688***	***23,692***
Professional Costs			
Company counsel legal fees	-	-	-
Strategic Advisor fees	-	-	-
Trustee fees	-	-	-
Trustee Counsel fees	-	-	-
Total Professional Costs	**-**	**-**	**-**
Net operating cash flow	***(3,979)***	***(11,874)***	***(7,895)***
Interim financing			
DIP term loan - advances	-	-	-
DIP term loan - repayment	-	-	-
Net financing advances / (repayments)	-	-	-
Cash balance	***1,717***	***11,952***	***10,235***

Appendix “B”

Schedule of Canadian DIP Financing Precedents

Onsite3D Ltd.

DIP Financing Comparables (≤ CAD $10 Million)

Case Name	Court	Proceeding Type	Facility Size (CAD)	Interest Rate	Effective Rate*	Fees / Charges
Re Harmony Heating and Air Conditioning Inc.	Court of King's Bench of Alberta	BIA NOI (s.50.6)	25,000	NBC Prime + 1% per annum (~5.45% effective at Prime 4.45%)	**~5.45%**	No commitment/exit fees; Debtor pays DIP Lender legal fees; $10,000 Break Fee (Stalking Horse); Administration Charge $100,000
Re Reactor Engineering Group Ltd.	Ontario Superior Court of Justice	BIA NOI (s.50.6)	110,000	BMO prime commercial lending rate (~4.45%)	**~4.45%**	No formal commitment/standby/arrangement fees disclosed; DIP advanced via borrowing certificates
Re Scarsin Corporation	Ontario Superior Court of Justice (Commercial List)	BIA NOI (s.50.6)	400,000	12% per annum	**12%**	Legal costs and expenses
Re Minglian Holdings Ltd.	Supreme Court of British Columbia	CCAA (s.11.2) - creditor-driven	500,000	NBC Prime + 3% per annum (~7.45% effective at Prime 4.45%)	**~7.45%**	Facility fee ~0.5% of facility; legal and other costs
Re B+H Architects Corp.	Ontario Superior Court of Justice (Commercial List)	CCAA (s.11.2)	1,700,000	3-month Term CORRA + 1.7% per annum	**~4.6%**	Not disclosed on public record beyond interest and Lender's expenses
Re 1281805 B.C. Ltd. (Everwood Project)	Supreme Court of British Columbia	BIA NOI (s.50.6)	2,400,000	12% per annum (calculated daily, payable monthly in arrears)	**12%**	Commitment fee $80,000 ($25,000 non-refundable Good Faith Deposit + $55,000 financed); Standby fee 2.50% p.a. on undrawn portion; Break fee 3.0% of Maximum Amount; Lender's legal/other costs
Re LJM Developments (Hamilton) Inc.	Ontario Superior Court of Justice (Commercial List)	CCAA (s.11.2)	2,500,000	15.5% per annum	**15.50%**	Advance Fee 1.75% of Loan (pro-rata per advance); Extension Fee 1.75%; Administration Charge $300,000
Re Trion Battery Technologies Inc.	Court of King's Bench of Alberta	CCAA (s.11.2)	4,300,000	13.5% per annum	**13.50%**	Commitment fee 3.0% of amount advanced; Recoverable Expenses (professional fees of DIP Lender); Administration Charge CAD $350,000
Re Hakim Optical Laboratory Limited	Ontario Superior Court of Justice (Commercial List)	CCAA (s.11.2) — DIP amendment order	2,800,000	10.9% per annum (interest + fees capitalized to loan)	**~10.9% + capitalized fees (effective ~11-12%)**	Commitment fee 3.5% of Facility Amount; Monthly fee $2,500; Lender legal reimbursement — all capitalized to loan

** Effective Rate: For prime-based DIPs, effective rate is estimated using Canadian prime = 4.45% (BoC, unchanged Feb–Jul 2026).*

** AI generated. Errors and omissions excepted.*