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COURT	COURT OF KING'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	EDMONTON
FILING PARTY	G. CHAN & ASSOCIATES INC.
DOCUMENT	**FOURTH 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 AUGUST 31, 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*, extended the stay of proceedings and the time for the Companies to file a proposal to September 5, 2026, granted the first priority Administration Charge in the amount of $250,000, administratively consolidated the three NOI proceedings, and authorized the Service Provisions.

3. The Proposal Trustee filed its second report dated July 21, 2026 (the **"Second Report"**), which constituted the Proposal Trustee's report pursuant to s. 50.4(7)(b)(ii) of the BIA on a material adverse change in the Companies not being able to obtain interim financing (the **"Material Adverse Change"**).

4. On July 22, 2026, this Honourable Court granted a further Order (the **"DIP Order"**) that, *inter alia*, approved 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"**), as lender, providing for a term loan facility of up to $1,000,000 (the **"Interim Financing"**), and granted the Interim Lender's Charge over the Companies' present and after-acquired property, to secure amounts actually advanced under the DIP Term Sheet.

5. The Proposal Trustee filed its third report dated August 26, 2026 (the **"Third Report"**), which constituted the Proposal Trustee's report on a second material adverse change (the **"Second MAC"**) arising from the failure of the Interim Financing to be advanced by the Interim Lender and the Companies' resulting continuing failure to meet certain post-filing obligations as they came due.

6. The Companies have applied for an Order pursuant to s. 50.4(9) of the BIA extending the time within which the Companies are required to file a proposal, and the stay of proceedings, by 45 days to October 20, 2026, together with an Order temporarily sealing certain confidential exhibits to the Second Affidavit of Wade Tyler Eno sworn August 28, 2026 (the **"Second Eno Affidavit"**) (collectively, the **"Second Extension Application"**). The Second Extension Application is returnable September 3, 2026. The stay of proceedings and the time for the Companies to file a proposal presently expire on September 5, 2026.

7. The purpose of this fourth report of the Proposal Trustee (the **"Fourth Report"**) is to report to the Court and the Companies' creditors in connection with the Second Extension Application, including with respect to:

   a. the status of the Interim Financing;

   b. the results of the Proposal Trustee's cash-flow monitoring and the variance of the Companies' actual receipts and disbursements to August 28, 2026;

   c. the Companies' post-filing obligations;

   d. the absence of an updated cash-flow statement extending through the requested extension period, and the Proposal Trustee's intentions in that regard;

   e. the confidential appraisals appended to the Second Eno Affidavit; and

   f. the Proposal Trustee's comments and recommendation with respect to the relief sought.

Background and notice to reader

8. In preparing this report, the Proposal Trustee has relied on unaudited financial information, the books and records of the Companies, the Companies' banking records, and discussions with the Companies' management (**"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.

9. 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.

10. 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.

11. Capitalized terms used but not defined in this Fourth Report have the meanings given to them in the prior reports of the Proposal Trustee filed in these proceedings.

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

Proposal Trustee's activities since the Third Report

13. Since the date of the Third Report, the Proposal Trustee has:

    a. continued its cash-flow monitoring;

    b. participated in calls and correspondence with Management, Debtor Counsel, and Trustee Counsel regarding the Companies' cash-flow, the status of the Interim Financing and of potential replacement financing, and the Companies' restructuring efforts;

    c. requested that 1146991 Alberta Inc. o/a Factors Western (**"Factors Western"** or **"114 AB Inc."**) and Capital Now Ventures Inc. (**"CNV"**) provide the documentation supporting their respective secured claims;

    d. reviewed the Second Extension Application materials, including the Second Eno Affidavit and the confidential exhibits thereto; and

    e. prepared this Fourth Report.

Status of the Interim Financing

14. As reported in the Third Report, no advance has been made under the DIP Term Sheet notwithstanding the granting of the DIP Order. That remains the case as at the date of this Fourth Report. The Interim Lender's Charge secures only amounts actually advanced under the DIP Term Sheet. Therefore, no amount is presently secured by it.

15. Management has advised that discussions regarding the funding of the Interim Financing are continuing. No committed funding date has been provided to the Proposal Trustee, and the Proposal Trustee remains unable to advise the Court or the creditors when, or whether, the Interim Financing will be advanced.

16. Management has further advised that the Companies are pursuing replacement interim financing from another party. Those discussions remain preliminary and ongoing.

Cash-flow monitoring and variance analysis to August 28, 2026

17. Appendix "A" to this Fourth Report compares the Companies' actual cash-flow results to the Initial Cash-Flow Projections for the ten weeks ended August 28, 2026.

18. For the ten weeks ended August 28, 2026, closing cash at Onsite3D was approximately $92,000, against approximately $153,000 projected in the Initial Cash-Flow Projections. While the aggregate variance is modest, the composition of actual results differs materially from the forecast:

a. the Initial Cash-Flow Projections assumed that interim financing of $650,000 would be advanced in mid-July and partially repaid within the period, a net assumed inflow of approximately $230,000. No interim financing has been advanced;

b. collections of pre-filing accounts receivable materially outperformed the forecast, while collections of forecast new revenue lag materially behind it. Management has advised that the Companies' pipeline is strong; however, the associated receipts are anticipated to flow in September rather than the earlier optimistic dates in the Initial Cash-Flow Projections; and

c. operating and professional disbursements ran below forecast by a wide margin, substantially through the deferral of post-filing obligations, rather than through cost savings.

19. The Proposal Trustee observes that the Companies' positive cash position has been achieved and sustained substantially through the deferral of post-filing obligations rather than through an operating surplus. The obligations so deferred are significant and described below. They remain obligations of the Companies, they continue to accumulate, and substantially all of them would fall due within the requested extension period.

Post-filing obligations and arrears

20. Post-filing employee source deduction remittances in respect of approximately three pay periods remain unremitted. The Second Eno Affidavit states these arrears at approximately $140,000.

21. As reported in the Third Report, post-filing source deductions are not stayed by the NOI proceedings, and CRA is in a position to exercise collection remedies notwithstanding the stay of proceedings. As at the date of this Fourth Report, the Proposal Trustee is not aware of CRA having taken any collection or enforcement measure. Any enforcement action by CRA in respect of post-filing source deductions could materially affect the Companies' ability to continue operating and pursue the restructuring process.

22. The Companies have also continued to defer a significant quantum of other post-filing obligations, including approximately $160,000 of operating arrears (rent, leases, software subscriptions, utilities, workers' compensation premiums, and similar obligations) as well as professional fees of the Trustee, its counsel, Debtor Counsel and other advisors. No affected creditor has taken action in respect of these arrears. The absence of creditor action does not reduce or extinguish these obligations.

23. The Companies’ payroll cycle in the last week of August ran approximately $88,000 in excess of the Companies’ regular payroll cycles. The Proposal Trustee is presently reviewing whether such variance occurred outside the ordinary course of business. Management has advised that this variance may be a reporting anomaly due to an expense misclassification. The Proposal Trustee will report further to the Court when its review is complete.

Absence of an updated cash-flow statement

24. The Initial Cash-Flow Projections extend to September 18, 2026, and accordingly do not cover the requested extension period to October 20, 2026.

25. An updated cash-flow statement extending through the requested extension period could not be prepared in advance of the preparation of this Fourth Report due to the Second Extension Application being brought on short notice, and the quantum, timing, and structure of the Companies’ interim financing remaining uncertain.

26. In the Proposal Trustee’s view, a forecast prepared before the funding position is clarified would rest on financing assumptions that neither Management nor the Proposal Trustee can presently support and would be of limited assistance to the Court and to creditors.

27. On the information currently available, the Proposal Trustee has concluded that, unless interim financing is funded at an adequate scale, the Companies will not have sufficient liquidity to satisfy their post-filing obligations, including the accumulated arrears described above, through the requested extension period.

28. The Proposal Trustee will require the Companies to prepare an updated cash-flow statement promptly once the funding position is clarified, will review that statement, and will file it with the Court at such time.

The Companies’ restructuring efforts

29. Management has advised the Proposal Trustee that the Companies’ restructuring efforts are centred on a transaction under negotiation with an Indigenous-led coalition that contemplates the acquisition of a majority interest in the Companies, the proceeds of which would fund a proposal to creditors, whether directly or through a Court-sanctioned sale process in which the negotiated transaction would serve as a stalking horse. Management has further advised of new contract awards and program approvals that it expects to convert to cash through the fall, including grant-funded Indigenous workforce training programs, and of the traditional seasonal strengthening of the Companies’ revenues in the fall months.

30. The Proposal Trustee has not verified these matters and expresses no assurance that the outcomes Management describes will be achieved.

The Appraisals and the Sealing Order

31. The Second Eno Affidavit appends, as confidential exhibits, three appraisals of equipment and related tangible assets of Onsite3D Industrial (the **"Appraisals"**), in respect of which the Companies seek a temporary sealing order.

32. The Proposal Trustee has reviewed the Appraisals. Without disclosing their contents, the Proposal Trustee agrees with the conclusions the Companies draw from them: realizations in an immediate, forced liquidation would be materially reduced relative to an orderly or going-concern outcome, and limited value would be available from the appraised assets for distribution to creditors beyond equipment lenders holding purchase-money security interests and CRA.

33. The Proposal Trustee observes that the Appraisals address tangible equipment and related assets only, and do not consider the Companies' intangible value or accounts receivable. Both, however, typically become significantly impaired upon a bankruptcy: intangible value, including goodwill, contracts, certifications, and workforce-dependent value, is largely dependent on the continuation of the business as a going concern, and the collectability of accounts receivable typically deteriorates materially once a debtor ceases operating. This observation accordingly does not alter, and if anything reinforces, the conclusion stated above.

34. The Appraisals contain commercially sensitive asset descriptions and valuation information, the disclosure of which at this stage could prejudice the Companies' ability to maximize value in a proposal or sale process. The sealing sought is temporary and terminates on defined events. The Proposal Trustee supports the granting of the sealing order.

Second Extension Application

35. Section 50.4(9) of the BIA provides that the Court may grant an extension of the period within which an insolvent person is required to file a proposal where the Court is satisfied that the insolvent person has acted, and is acting, in good faith and with due diligence; that the insolvent person would likely be able to make a viable proposal if the extension were granted; and that no creditor would be materially prejudiced if the extension were granted. The Proposal Trustee's comments on each element follow.

Good faith and due diligence

36. The Companies have generally cooperated with the Proposal Trustee's monitoring program, have provided information and documentation requested, and have disclosed the circumstances of the Material Adverse Change and Second MAC. The Proposal Trustee is satisfied that the Companies have acted, and are acting, in good faith and with due diligence, subject to the Proposal Trustee's verification of the payroll variance described above, which remains subject to the Proposal Trustee's review.

Ability to make a viable proposal

37. The Companies' ability to make a viable proposal depends principally on interim financing being adequately funded. While the Second Eno Affidavit has described the steps being taken to advance the restructuring plan, the Proposal Trustee cannot conclude that the Companies have sufficient liquidity to reach that point absent funded interim financing. The Proposal Trustee's support for the requested extension is qualified accordingly.

38. Although funding remains uncertain, the Proposal Trustee notes that Management continues to pursue both funding of the approved Interim Financing and alternative financing sources. The Proposal Trustee further notes that the Companies continue to maintain operations, continue to generate collections, and report that negotiations respecting a restructuring transaction remain ongoing.

The limited reach of the stay of proceedings

39. In assessing prejudice, the Proposal Trustee considers it significant that the stay of proceedings operates more narrowly in these proceedings than may first appear, and that the creditors bearing post-filing exposure retain their remedies throughout the requested extension:

    a. the stay restrains only remedies in respect of claims arising prior to the NOI Date. The Companies' post-filing creditors, including the landlords, lessors, utilities, and suppliers whose post-filing arrears are described above, are not stayed from pursuing the amounts owed to them and may take steps to collect those amounts at any time;

    b. CRA is not stayed in respect of post-filing employee source deductions, as described above, and its remedies in that respect are preserved whether or not the extension is granted; and

    c. by operation of s. 69(2) of the BIA, CNV is not stayed from enforcing its security. As at the date of this Fourth Report, the Proposal Trustee is not aware of CNV having taken any enforcement step since the NOI Date.

Material prejudice to creditors

40. The creditors actually restrained by the stay are accordingly 114 AB Inc. and the Companies' other pre-filing creditors. On the valuation evidence described above, those creditors would not fare better, and would likely fare worse, in the immediate bankruptcy that would result if the extension were refused, in which the realizable value of the estates would be materially reduced, and priority claims would absorb much of what remains.

41. Significantly, 114 AB Inc. is the only creditor with a significant economic interest in these proceedings whose remedies are actually restrained by the stay, and the Proposal Trustee understands, through the Second Eno Affidavit and communication from 114 AB Inc.'s principal, Dianne Mantei, that 114 AB Inc. supports the requested extension.

42. The Proposal Trustee has likewise been advised through Debtor Counsel that counsel to CRA has confirmed that CRA will not oppose the extension.

43. If the extension is not granted, the Companies will be deemed to have made assignments in bankruptcy following September 5, 2026. For the foregoing reasons, with particular weighting to the narrow stay and Appraisals, in the Proposal Trustee's view, no creditor would be materially prejudiced by the granting of the extension.

Proposal Trustee's conclusions and recommendation

44. The Proposal Trustee supports the Companies' request for an extension of the time to file a proposal, and of the stay of proceedings, to October 20, 2026, notwithstanding the concerns expressed in this Fourth Report and in the Proposal Trustee's prior reports.

45. The only creditor with a significant economic interest that is actually restrained by the stay, 114 AB Inc., supports the extension; the parties that are not stayed (CRA in respect of post-filing source deductions, CNV, and the Companies' post-filing creditors) retain their remedies throughout and have to date taken no enforcement steps; the extension operates primarily to restrain pre-filing creditors, who, on the evidence, would not fare better in an immediate bankruptcy; and the Companies are pursuing a restructuring path that may produce a viable proposal if interim financing is funded.

46. The Proposal Trustee's support is qualified. The Companies' liquidity through the extension period depends on interim financing that has not yet been funded and whose funding remains uncertain. If interim financing is not funded or committed within the early part of the extension period, or if the Companies' post-filing arrears materially increase, the prospects of a viable proposal will diminish. The qualified nature of this support also reflects that the post-filing creditors whose obligations are accumulating are not restrained by the stay: should they act on their remedies, the Companies' ability to continue operating through the extension period may be curtailed irrespective of the relief granted.

47. Accordingly, the Proposal Trustee remains concerned by the continuing inability of the Companies to access the Interim Financing approved by the Court or alternative interim financing and regards this as a significant impediment to the restructuring process.

48. Accordingly, during the extension period the Proposal Trustee will: continue its weekly cash-flow monitoring program; require, review, and file with the Court an updated cash-flow statement promptly once the Companies' funding position is clarified; and report promptly to the Court, the Official Receiver, and the creditors on any further material adverse change in the Companies' financial circumstances, including, where the circumstances warrant, by application to terminate the stay of proceedings and place the Companies into bankruptcy under s. 50.4(11) of the BIA.

49. While significant execution and liquidity risks remain, the Proposal Trustee is satisfied that granting the requested extension is presently more likely to maximize value for stakeholders than the immediate bankruptcy that would otherwise result. Accordingly, the Proposal Trustee respectfully recommends that this Honourable Court grant the extension sought in the Second Extension Application, together with the sealing order described above.

Respectfully submitted this 31st day of August 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
Per: 8D032DF7978049E...
Garrett Chan, CIRP, LIT
President

Appendix “A” – Comparison of Actual to Projected Cash-Flow

Weeks 1–10

Table A-1: Onsite3D Ltd. — Actual versus projected cash flow

Cumulative for the ten-week period from June 22, 2026, to August 28, 2026 (unaudited; in Canadian dollars)

	Forecast	Actual	Variance
Opening cash balance	-	51,355	51,355
Receipts and transfers			
Collection of outstanding receivables	627,363	1,137,219	509,856
Collection of new revenue	1,188,500	26,000	(1,162,500)
Cash transfer (to)/from subsidiaries	(674,653)	(681,480)	(6,827)
Total receipts and transfers	**1,141,210**	**481,739**	**(659,471)**
Operating disbursements			
Back wages	297,100	-	297,100
Wages, salaries, and benefits	126,060	165,442	(39,382)
CRA	30,047	58,853	(28,806)
Office rent and cleaning	28,000	-	28,000
WCB	3,800	-	3,800
Vehicle and equipment leases	58,030	25,580	32,450
Insurance	59,000	36,566	22,434
Software, subscriptions and licences	114,700	53	114,647
Phones and internet	9,100	-	9,100
Utilities	7,800	-	7,800
Fuel	30,442	13,951	16,491
Other expenses	175,344	135,883	39,461
GST	71,420	-	71,420
Total operating disbursements	**1,010,843**	**436,329**	**574,514**
Professional costs			
Company counsel legal fees	87,500	5,000	82,500
Strategic Advisor fees	13,500	-	13,500
Trustee fees	77,500	-	77,500
Trustee Counsel fees	27,500	-	27,500
Total professional costs	**206,000**	**5,000**	**201,000**
Interim financing			
DIP term loan - advances	650,000	-	(650,000)
DIP term loan - repayments	(421,350)	-	421,350
Closing cash	**153,017**	**91,764**	**(61,253)**

Notes:

1. *Variance convention: receipts and financing favourable when actual exceeds forecast; disbursements favourable when actual is below forecast.*
2. *Totals may not agree due to rounding.*
3. *Actual amounts for weeks 1 through 9 reflect cleared bank activity; amounts for week 10 reflect actual activity through August 27, 2026, together with items scheduled for August 28, 2026.*

Table A-2:

Onsite3D Digital Solutions Ltd. and Onsite3D Industrial Services Ltd.

Actual versus projected cash flow, condensed, cumulative for the ten-week period from June 22, 2026 to August 28, 2026 (unaudited; in Canadian dollars)

Onsite3D Digital Solutions Ltd. — cumulative for the ten-week period from June 22, 2026 to August 28, 2026

	Forecast	Actual	Variance
Opening cash balance	-	4,426	4,426
Intercompany transfers (net, from parent)	592,053	601,700	9,647
Total operating disbursements	**592,053**	**626,953**	**(34,900)**
Closing cash	**-**	**(20,827)**	**(20,827)**

Onsite3D Industrial Services Ltd. — cumulative for the ten-week period from June 22, 2026 to August 28, 2026

	Forecast	Actual	Variance
Opening cash balance	-	134	134
Intercompany transfers (net, from parent)	82,600	79,780	(2,820)
Total operating disbursements	**82,600**	**79,423**	**3,177**
Closing cash	**-**	**490**	**490**

Notes:

1. *Variance convention: receipts and financing favourable when actual exceeds forecast; disbursements favourable when actual is below forecast.*
2. *Totals may not agree due to rounding.*
3. *Actual amounts for weeks 1 through 9 reflect cleared bank activity; amounts for week 10 reflect actual activity through August 27, 2026, together with items scheduled for August 28, 2026.*
4. *The Initial Cash-Flow Projections funded each subsidiary’s disbursements by transfer from Onsite3D Ltd. and projected nil subsidiary balances.*
5. *The negative Digital Solutions closing balance reflects disbursements scheduled for August 28, 2026 (week 10), in advance of the corresponding funding transfer from Onsite3D Ltd.*