



This is Exhibit " A " referred to in the affidavit of Kim Macdonald Crowe MacKay & Company Ltd. Licensed Insolvency Trustee
 sworn before me at Vancouver, BC 1100 - 1177 West Hastings Street Vancouver, BC V6E 4T5
 this 1 day of Nov, 2024 Main +1 (604) 699-3928
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 A Commissioner for taking Affidavits within British Columbia

November 1, 2024

Owen Bird Law Corporation
 2900 – 733 Seymour St.
 Vancouver BC, V6B 0S6

Attention: Mr. Jonathan Williams

Dear Sir:

**Re: Notice of Intention to Make a Proposal of Cloud Diagnostics Canada ULC.
 Estate #11-3089419**

On June 5, 2024, Cloud Diagnostics Canada ULC (the "Company") filed a Notice of Intention to Make a Proposal ("NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, and Crowe MacKay & Company Ltd. consented to act as proposal trustee (the "Proposal Trustee") under the NOI proceedings.

The initial stay of proceedings under the NOI was from June 5, 2024 to July 5, 2025. On June 12, 2024, the Court granted an extension (the "First Extension") of the stay of proceedings and deadline to file a proposal to August 19, 2024. On this same date, the Court also granted an administration charge and an interim financing charge. On June 14, 2024, the Court granted further interim financing.

On June 21, 2024, the Court granted that the Company would carry out a sale and investment solicitation process (the "SISP"), which would allow the Proposal Trustee, in consultation with the Company and its management to sell the Company and/or its business assets. The deadline to submit a bid was July 26, 2024 (the "Bid Deadline"). As at the Bid Deadline, the Proposal Trustee received two (2) bids, of which one on its face appears to be the superior bid (the "Superior Bid").

The Proposal Trustee is currently working with the bidder for the Superior Bid, along with the Company, to negotiate the terms of the contract of purchase and sale in order to be able to present the contract of purchase and sale to Court for approval.

On August 15, 2024, the Court granted a second extension (the "Second Extension") of the stay of proceedings and deadline to file a proposal to October 3, 2024. On September 13, 2024, the Court granted a third extension (the "Third Extension") of the stay of proceedings and deadline to file a proposal to November 5, 2024.

The Proposal Trustee is continuing to work towards finalizing the contract of purchase and sale for the Superior Bid, and accordingly the Company will require a further extension of the stay of proceedings and deadline to file a proposal. It is understood that the Company is seeking a fourth extension to December 20, 2024 (the "**Fourth Extension**").

During the Proposal Trustee's monitoring of the Company's cash flows and operations, the Proposal Trustee notes that the Company has:

- a) remained current with its statutory reporting and remittance requirements with the Canada Revenue Agency ("**CRA**");
- b) paid its post-NOI obligations in the ordinary course; and,
- c) has maintained a positive cash balance.

In monitoring the Company's cash flows, the Proposal Trustee also notes that it is not aware of any material adverse variances between the actual cash flows as filed on September 13, 2024.

As mentioned above, the Proposal Trustee is currently finalizing the contract of purchase and sale with the party who submitted the Superior Bid. The Trustee is in a position to recommend the Superior Bid to the Court, but requires additional time in order to obtain a Court date. Accordingly, the Trustee requires the Fourth Extension in order to obtain a Court date.

Since the existing cash flow projection only covers to the period ending November 8, 2024, the Proposal Trustee asked the Company to prepare a further cash flow projection which covers the period of the Fourth Extension. Attached as Appendix "**A**" is a 7-week cash flow projection for the period ending December 20, 2024 (the "**7-Week Cash Flow**")

The 7-Week Cash Flow contemplates \$275,000 in additional debtor-in-possession financing ("**DIP Financing**") for which the Proposal Trustee understands that the Company is seeking an additional secured charge in the same amount (the "**Additional DIP Charge**"). The Proposal Trustee is of the opinion that given the ongoing bid process and the value of the Company's assets, the Additional DIP Charge is unlikely to provide the lender any security in addition to what it has already received through previous DIP Charges. Further, the Proposal Trustee understands that the Additional DIP Charge would rank subordinate to the existing DIP Financing charges granted by the Court. Accordingly, the

Proposal Trustee is of the opinion that the Additional DIP Charge does not materially prejudice any creditors. Given that no creditors appear to be materially prejudiced, the Proposal Trustee supports the relief sought by the Company relating to the Additional DIP Charge.

In view of the foregoing, the Proposal Trustee is of the opinion that:

- a) the Company continues to work with the Proposal Trustee to develop a proposal;
- b) the Company has acted, and continues to act, in good faith and with due diligence in formulating a proposal to its creditors;
- c) the Fourth Extension is necessary in order to complete the transaction with the Superior Bid,
- d) the Company will likely be able to make a viable proposal if the Fourth Extension is granted; and,
- e) no creditor will be materially prejudiced if the Fourth Extension being applied for is granted.


If you have any questions, please contact the undersigned.

Yours very truly,

CROWE MACKAY & COMPANY LTD.

in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of Cloud Diagnostics Canada ULC. and not in its personal capacity

per:


Jonathan McNair, CPA, CA, CIRP, LIT

	1 NOV 4-8	2 NOV 11-15	3 NOV 18-22	4 NOV 25-29	5 DEC 2-6	6 DEC 9-13	7 DEC 16-20
Opening Cash	35,400.00	303,082.00	194,383.00	168,239.00	179,292.00	124,301.00	91,031.00
Cash Inflows	56,639.00	13,611.00	13,500.00	105,808.00	1,518.00	12,050.00	9,500.00
Accounts Receivable Collections	275,000.00	-	-	-	-	-	-
Additional Financing Required	331,639.00	13,611.00	13,500.00	105,808.00	1,518.00	12,050.00	9,500.00
Disbursements	11,854.00	15,563.00	21,879.00	700.00	12,487.00	4,306.00	10,344.00
Cost of sales	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Contingency	1,370.00	5,103.00	565.00	2,055.00	1,644.00	3,870.00	3,870.00
Contractors		9,644.00			1,718.00	9,644.00	
Insurance	1,718.00						
Office Expenses	42,669.00		14,000.00				
Professional Fees - Restructuring					36,160.00		
GST/HST Payment							
Rent - Office							
Purchase of Inventory	4,846.00	90,500.00	1,700.00	90,500.00	3,000.00	26,000.00	62,000.00
Wages & Benefits	63,957.00	122,310.00	39,644.00	94,755.00	56,509.00	45,320.00	73,844.00
Change in Cash	267,682.00	(108,699.00)	(26,144.00)	11,053.00	(54,991.00)	(33,270.00)	(64,344.00)
Closing Cash	303,082.00	194,383.00	168,239.00	179,292.00	124,301.00	91,031.00	26,687.00

RKJ

Cloud Diagnostics Canada ULC

This statement of projected cash flow of Cloud Diagnostics Canada ULC was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

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Crowe MacKay & Company Ltd.
in its capacity as Trustee under the Notice of Intention to Make a Proposal of Cloud Diagnostics Canada ULC and not in its personal capacity

- NOTES
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This is the 5th Affidavit of
Kim MacDonald in this proceeding
and was made on November 1, 2024.

District of British Columbia
Division No.:02-Victoria
Court No.: B-240300
Estate No.: 11-3089419
Vancouver Registry

**IN THE SUPREME COURT OF
BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE
NOTICE OF INTENTION
TO MAKE A PROPOSAL OF CLOUD
DIAGNOSTICS CANADA ULC**

AFFIDAVIT

OWEN BIRD LAW CORPORATION
P.O. Box 1
Vancouver Centre II
2900 – 733 Seymour Street
Vancouver, BC V7B 0S6
Attention: Jonathan L. Williams
File No. 41286-0000
