

February 5, 2025

Reedman Law
800a-1030 West Georgia Street
Vancouver BC, V6E 2Y3

Attention: Mr. Cody Reedman

Dear Sir:

**Re: Notice of Intention to Make a Proposal of Lambda Solutions Inc.
Estate #11-3149370**

On November , 2024, Lambda Solutions Inc. (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 November 1, 2024 to December 1, 2024. On December 4, 2024, the Court granted an extension (the "**First Extension**") of the stay of proceedings and deadline to file a proposal to January 15, 2025. On this same date, the Court also granted an administration charge and an interim financing charge.

On January 14, 2025 the Court granted an extension (the "**Second Extension**") of the stay of proceedings and deadline to file a proposal to February, 2025.

The Company is in the process of entering into an asset purchase agreement (the "**APA**"), which would sell the Company's business assets. The Company is continuing to work towards finalizing the APA, 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 third extension to February 14, 2025 (the "**Third Extension**").

During the Proposal Trustee's monitoring of the Company's cash flows and operations since the First Extension, 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 and the cash flow projections for the period ending January 25, 2025.

As mentioned above, the Company is currently finalizing the APA with its senior secured creditor. The Proposal Trustee anticipates that it will be able to present a recommendation to the Court to approve the sale in advance of the conclusion of the Third Extension, being February 14, 2025. Further, the Proposal Trustee expects that the Company will be in a better position to make a proposal to its creditors once the exact terms of the APA are known.

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

- a) the Company has acted, and continues to act, in good faith and with due diligence in formulating a proposal to its creditors;
- b) the Company would likely be able to make a viable proposal if the Third Extension were to be granted; and,
- c) no creditor will be materially prejudiced if the Third 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
Lambda Solutions Inc. and not in its personal capacity

per:

A handwritten signature in blue ink, appearing to be 'Derek Lai', written over a horizontal line.

Derek Lai, CPA, CMA, CIRP, LIT