



**Ninth Report to Court of
KSV Restructuring Inc. as
Monitor of
Skylink Express Inc.**

July 25, 2025

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COURT FILE NO.: CV-24-00716267-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SKYLINK EXPRESS INC.

NINTH REPORT OF KSV RESTRUCTURING INC.
AS MONITOR

July 25, 2025

1.0 Introduction

1. Pursuant to an order (the **"Initial Order"**) of the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) made on March 11, 2024 (the **"Filing Date"**), Skylink Express Inc. (the **"Company"**) was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **"CCAA"**), and KSV Restructuring Inc. (**"KSV"**) was appointed monitor (the **"Monitor"**).
2. Pursuant to the terms of the Initial Order, among other things, the Court granted:
 - a) a stay of proceedings until March 21, 2024, being the date of the comeback motion in these proceedings (the **"Comeback Motion"**);
 - b) the following charges on the Company's current and future assets, property and undertaking, in the order of priority provided below, each of which was subordinated to secured credit facilities (the **"TD Loan Facilities"**) provided to the Company by The Toronto-Dominion Bank (**"TD"**), the Company's principal secured creditor until recently, as more fully discussed herein:
 - i. a charge in favour of the Company's counsel, Norton Rose Fulbright Canada LLP (**"Norton Rose"**), the Monitor and its counsel, Cassels Brock & Blackwell LLP (**"Cassels"**), in the amount of \$350,000 to secure their fees and disbursements in these proceedings;
 - ii. a charge in favour of the Company's sole shareholder, Momentum Decisive Solutions Canada Inc. (**"Momentum"**, in such capacity, the **"DIP Lender"**), to secure advances made under a DIP facility (the **"DIP Facility"**) pursuant to an interim financing term sheet (the **"DIP Term Sheet"**), which advances were limited to \$1.35 million until the Comeback Motion (the **"DIP Lender's Charge"**); and
 - iii. a charge in the amount of \$480,000 in favour of the sole director and the officers of the Company (the **"Directors' Charge"**).

3. At the Comeback Motion on March 21, 2024, the Court issued an amended and restated initial order (the “**ARIO**”), which approved:
 - a) an extension of the stay of proceedings to April 26, 2024;
 - b) an increase in the Directors’ Charge to \$970,000; and
 - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$2.5 million, which amounts are secured by the DIP Lender’s Charge.

A copy of the ARIO is provided in **Appendix “A”**.

4. On April 25, 2024, the Court issued an order, which approved:
 - a) an extension of the stay of proceedings to May 31, 2024;
 - b) a forbearance agreement dated April 19, 2024 among the Company, Momentum and TD (the “**Forbearance Agreement**”); and
 - c) an escrow agreement dated April 19, 2024 among Momentum, TD, the Monitor and Norton Rose.
5. On May 30, 2024, the Court issued an order (the “**Sale Process Order**”) which approved:
 - a) an extension of the stay of proceedings to July 30, 2024;
 - b) a sale process (the “**Sale Process**”) for certain of the Company’s assets, primarily being the Company’s aircraft, aircraft parts inventory and air operator certificate;
 - c) the retention of 1262396 Alberta Ltd. (dba Pollock Aviation) as sales agent (the “**Agent**”) in the Sale Process;
 - d) an increase in the Company’s permitted borrowings under the DIP Facility to \$3 million, which amounts are secured by the DIP Lender’s Charge; and
 - e) the activities and reports of the Monitor and the fees of the Monitor and Cassels.
6. The Sale Process is set out in the Monitor’s third report to Court dated May 24, 2024 (the “**Third Report**”), a copy of which is provided in **Appendix “B”**, without appendices. Since the date of the Sale Process Order, the Company, with the assistance of the Agent, and under the supervision of the Monitor, has been marketing the Company’s assets for sale in accordance with the Sale Process Order.
7. On July 5, 2024, the Court issued an order approving a transaction (the “**LAD Transaction**”) between LAD Inc. and the Company for one of the Company’s Cessna Grand Caravan aircraft and one Pratt and Whitney Canada engine and certain other assets, as set out in the Monitor’s fourth report to Court dated June 28, 2024 (the “**Fourth Report**”).

8. On July 29, 2024, the Court issued orders approving transactions (the “**Previously Approved Transactions**”):
 - a) between Randigo LLC and the Company for the sale of two of the Company’s Cessna Grand Caravan aircraft and two Pratt and Whitney Canada engines and certain other assets; and
 - b) between Gingras Équipement Inc. and the Company for the sale of one of the Company’s Cessna Grand Caravan aircraft and one Pratt and Whitney Canada engine and certain other assets.
9. On July 29, 2024, the Court also issued an order which approved, among other things:
 - a) an extension of the stay of proceedings to October 31, 2024;
 - b) an increase in the Company’s permitted borrowings under the DIP Facility and the DIP Lender’s Charge to \$4.55 million; and
 - c) the Fourth Report and fifth report of the Monitor dated July 22, 2024 (the “**Fifth Report**”), the Monitor’s activities detailed in the Fifth Report¹ and the fees of the Monitor and Cassels to June 30, 2024.
10. From and after the October 31, 2024 stay extension, the Court has issued several orders extending the stay of proceedings, increasing the DIP Lender’s Charge and approving the Monitor’s activities. The stay of proceedings presently expires on July 31, 2025 and the amount of the permitted borrowings under the DIP Facility, as secured by the DIP Lender’s Charge, is now \$6.75 million. Since completion of the Previously Approved Transactions, the Company has continued the Sale Process; however, no transactions have been completed since that time.
11. The Affidavit of Kyle Dennhardt, the Company’s former Chief Financial Officer, sworn March 8, 2024 in support of the CCAA application and KSV’s pre-filing report dated March 8, 2024 (the “**Pre-Filing Report**”) filed in connection with the initial application, provide, *inter alia*, background information concerning the Company, its business and the reasons for the commencement of these proceedings. Court materials filed in these proceedings, including the affidavits filed by the Company’s representatives in these proceedings and the Monitor’s reports and the Pre-Filing Report (collectively, the “**Monitor’s Reports**”) can be found on the Monitor’s case website at www.ksvadvisory.com/experience/case/skylink.

1.1 Purposes of this Report

1. The purposes of this report (the “**Report**”) are to:
 - a) discuss an assignment of the TD Loan Facilities from TD to Momentum (the “**TD Loan Assignment**”);

¹ The Monitor’s activities summarized in the Fifth report covered the period from the date of the Third Report.

- b) provide an update on the Sale Process;
- c) seek approval of a transaction (the “**UTP Transaction**”) between the Company and Universal Turbine Parts, LLC (“**UTP**”) pursuant to an aircraft purchase agreement dated July 17, 2025 (the “**UTP APA**”) for the sale by the Company to UTP of (i) six Beech Aircraft Corporation 1900C aircraft manufacturer’s serial numbers listed in **Appendix “C”**; and (ii) certain Pratt & Whitney Canada PT6A model engines bearing the serial numbers also listed in **Appendix “C”**; (collectively, the “**UTP Purchased Assets**”);
- d) seek approval of a transaction (the “**Momentum Transaction**” and together with the UTP Transaction, the “**Transactions**”) between the Company and Momentum Jets Inc. (“**Momentum Jets**” and together with UTP, the “**Purchasers**”), an affiliate of Momentum, pursuant to an aircraft purchase agreement dated July 24, 2025 (the “**Momentum APA**” and together with the UTP APA, the “**APAs**”) for the sale by the Company to Momentum Jets of (i) four Beech Aircraft Corporation 1900C aircraft manufacturer’s serial numbers listed in **Appendix “D”**; (ii) certain Pratt & Whitney Canada PT6A model engines bearing serial numbers also listed in **Appendix “D”** and (iii) other residual assets, being substantially all of the Company’s remaining assets not included in the UTP APA (collectively, the “**Momentum Purchased Assets**” and together with the UTP Purchased Assets, the “**Purchased Assets**”);
- e) discuss the reasons these CCAA proceedings should be terminated and the Monitor discharged upon the Monitor serving on the service list a certificate (the “**Discharge Certificate**”) (the “**CCAA Termination Date**”);
- f) discuss a release to be provided to the Monitor and Cassels, as contemplated by the CCAA Termination Order (as defined below);
- g) discuss the Company’s request for an extension of the stay of proceedings from July 31, 2025 to the CCAA Termination Date;
- h) summarize the Company’s updated cash flow forecast from July 19, 2025 to December 31, 2025 (the “**Updated Cash Flow Forecast**”);
- i) discuss the Company’s intention to make an assignment in bankruptcy following the termination which will allow its former employees to be able to make claims under the *Wage Earner Protection Program Act*, S.C. 2006, c. 47 s. 1, as amended (“**WEPPA**”);
- j) seek approval of the fees and disbursements of the Monitor and Cassels from April 1 to June 30, 2025, each as described and detailed in the Fee Affidavits (as defined below), plus a \$100,000 accrual (plus Harmonized Sales Tax (“**HST**”) and disbursements) to completion of these proceedings (the “**Fee Accrual**”), and seek Court approval of same;
- k) summarize the Monitor’s and the Company’s activities since the date of the Eighth Report; and

- l) recommend that the Court:
- i. issue orders (each an “**AVO**”) approving the Transactions and transferring and vesting all of the Company’s right, title and interest in and to the Purchased Assets to the Purchasers following the Monitor’s filing the Monitor’s certificates with the Court in the form, or substantially in the form, attached as Schedule “A” to each of the proposed AVOs; and
 - ii. issue an order (the “**CCAA Termination Order**”):
 - sealing the purchase price in respect of the UTP Transaction pending the closing of that transaction or further order of the Court;
 - approving the distribution of the net sale proceeds from the UTP Transaction or any other realizations of the Company to Momentum;
 - extending the stay of proceedings from July 31, 2025 to the CCAA Termination Date;
 - approving this Report and the Monitor’s activities, as described in this Report;
 - approving the fees of the Monitor and Cassels from April 1 to June 30, 2025;
 - approving the Fee Accrual;
 - releasing, upon service by the Monitor of the Discharge Certificate on the service list, the Monitor and Cassels from any and all liability that they now have or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Monitor or Cassels, save and except for any claims relating to their gross negligence or wilful misconduct; and
 - discharging the Monitor and terminating these CCAA proceedings upon service by the Monitor of the Discharge Certificate on the service list.

1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Company’s unaudited financial information, books and records, and discussions with the Company’s management and Norton Rose.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party other than the Court wishing to place reliance on the financial information should perform its own diligence.

3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

1.3 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company is an Ontario corporation which operated for over 25 years providing regional air cargo services throughout North America. Until autumn 2024, the Company operated one of Canada's largest air cargo services, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. Momentum is the Company's sole shareholder.
2. The Company's registered office is 55 St. Clair Avenue West, Suite 210, Toronto, Ontario.
3. As of the Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company's pilots were members of UNIFOR. The Company does not maintain any registered pension plans.
4. Pursuant to the ARIO, Momentum funded these proceedings under the DIP Facility, which ranks subordinate to the Company's obligations owing to TD pursuant to the TD Loan Facilities. As of the date of this Report, Momentum had advanced \$5.825 million under the DIP Facility. The authorized borrowing limit of the DIP Facility is presently \$6.75 million.
5. The Company provided "last mile" services to remote locations, primarily in Canada. At the commencement of these proceedings, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. The Company terminated all flight operations during these proceedings.
6. As a result of the Previously Approved Transactions, the Company's fleet is presently comprised of 10 1900C aircraft. The Company also leases two 1900D aircraft from Momentum but never used these aircraft and never made any payments under the leases.
7. As of the commencement of these proceedings, United Parcel Services Canada Ltd. ("UPS") was the Company's primary customer. The Company and UPS were party to a long-term feeder aircraft charter agreement pursuant to which the Company provided cargo services for UPS throughout Canada (the "**UPS Contract**"). Historically, the Company generated almost all its revenue from the UPS Contract.

8. The UPS Contract was unprofitable. As discussed in the Monitor's Reports, the Company tried to renegotiate the UPS Contract earlier in these proceedings. The negotiations were unsuccessful, and the Company and UPS entered into a wind-down agreement dated July 31, 2024. Upon completion of the wind-down, the Company terminated operations. All but 10 employees have been terminated.
9. Additional background information about the Company, the causes of the Company's financial challenges, and the reasons the Company sought protection under the CCAA are provided in the Company's CCAA application materials, affidavits sworn by Company representatives earlier in these proceedings and the Monitor's Reports, including the Pre-Filing Report.

2.1 TD Loan Assignment

1. On July 17, 2025, Momentum took an assignment of the TD Loan Facilities ("**Assignment Agreement**"). TD was the only creditor with a registration filed against the Company in the applicable provincial personal property security registration systems. The Monitor understands that TD was the Company's only secured creditor, other than the DIP Lender and the beneficiaries of the Court-ordered charges issued in these proceedings.
2. The Company granted TD security over all of its assets pursuant to a general security agreement, aircraft security, assignment of insurance and hypothec (collectively, the "**TD Loan Security**"). Momentum provided a limited recourse secured guarantee of the TD Loan Facilities in the amount of \$15 million. In addition to paying the net proceeds from the Previously Approved Transactions to TD, the Company paid principal and interest to TD during these proceedings, as required pursuant to the Forbearance Agreement. The Company's payments during these proceedings reduced the amount owing under the TD Loan Facilities from approximately \$13.8 million as of the date of the ARIO to approximately \$4.34 million as of the date of the Assignment Agreement.
3. Earlier in these proceedings, Cassels provided the Monitor with an opinion confirming the validity and enforceability of the TD Loan Security, subject to standard assumptions and qualifications.
4. As of the date of this Report, Momentum was owed approximately \$10.17 million (the "**Momentum Debt**"), including amounts owing to it under the DIP Facility and the TD Loan Facilities).

3.0 Sale Process

1. The Company, with the assistance of the Agent and under the supervision of the Monitor, has continued to carry out the Sale Process for the Company's remaining aircraft and other assets, including its operating licenses.
2. As described in the Third Report, the Agent's engagement was for an initial six-month term ending on November 23, 2024. The Company and the Agent negotiated an extension of the Agent's engagement to August 23, 2025.

3. The Sale Process is described in the Third Report (see **Appendix “B”**) and is not repeated in this Report. Defined terms used in this section of the Report have the meanings provided to them in the Third Report, unless otherwise defined herein.

3.1 The UTP Transaction

1. Following completion of the Previously Approved Transactions, the Company and the Agent continued to solicit the market and pursue various transactions. Several opportunities fell through. On June 19, 2025, UTP provided the Company with a letter of intent (the **“UTP LOI”**) setting out the basic framework and terms of a transaction, which was signed back by the Company on June 20, 2025.
2. The Monitor understands that on June 22, 2025, the Company received an unsolicited]and conditional offer from another third party (the **“Subsequent Offer”**). Although the proposed purchase price under the Subsequent Offer was higher than the proposed purchase price under the UTP LOI, the Subsequent Offer was subject to several terms and conditions including aircraft inspection and provided for a significantly lower deposit. The Company elected to pursue the UTP offer as it had already signed back the UTP LOI.
3. The Company and UTP subsequently negotiated and settled the terms of the UTP APA, which is in substantially the same form as the aircraft purchase agreements settled in the Previously Approved Transactions.
4. On July 22, 2025, UTP paid 100% of the purchase price to the Monitor, as escrow agent. Additional details of the UTP Transaction are provided in Section 3.1.3 below.

3.2 The Momentum Transaction

1. As Momentum has taken an assignment of the TD Loan Facility, it is now looking to complete a purchase of the Company’s remaining aircraft assets (including its aircraft, engines, inventory and certain other residual assets, but excluding the Company’s licenses) and to terminate these proceedings. Momentum is of the view that the market has been extensively canvassed by the Company and the Agent. The Monitor concurs that the Agent has conducted a thorough solicitation process over several months.
2. The Monitor did not require Momentum to pay a deposit in respect of the Momentum Transaction as the purchase price is contemplated to be paid by way of a credit bid, as discussed further below. Additional details of the Momentum Transaction are provided in Section 3.1.3 below.
3. It is Momentum Jets’ intention to continue to market some or all of these assets. In that regard, the Momentum APA is assignable in whole or in part, to a third party. However, approval of the Momentum Transaction at this time will allow the Applicant to complete matters under these CCAA proceedings and thereby reduce the professional costs associated with continuing the process in these proceedings. Given the results of the Sale Process to-date, the Monitor does not expect recoveries from the assets being sold pursuant to the Momentum Transaction to exceed the Momentum Debt.

3.3 The UTP APA and the Momentum APA²

1. A summary of the Transactions is provided below.

Purchaser	UTP	Momentum Jets
Purchased Assets	UTP Purchased Assets	Momentum Purchased Assets
Purchase Price	UTP has paid the full purchase price to the Monitor, as Escrow Agent.	\$6,766,017.76 - to be satisfied by release and forgiveness of the Momentum Debt in an amount equal to the purchase price.
	For the reasons provided in Section 3.2, the Company is seeking to seal the purchase price in the UTP Transaction.	
As is, where is	Consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with typical representations, warranties and conditions for transactions of this nature.	
Closing Date	Five Business Days following the date the Court makes the AVO, or such other date as may be agreed by the parties in writing.	On the date the Court makes the AVO or such other date as may be agreed by the parties in writing.
Delivery Location	Huron Regional Airport (YEE), unless otherwise agreed in writing by the parties.	In their present location.
Material Conditions	i) the Company shall have delivered or cause to be pre-delivered to the Monitor, as Escrow Agent, a copy of the International Registry’s draft pre-registration report to discharge any Liens published on the International Registry; and	The purchase price shall have been satisfied by Momentum having agreed to reduce the Momentum Debt by the amount of the purchase price.

² Defined terms in this section not defined elsewhere in this Report are as set out in the respective APAs.

	<p>ii) the Company shall have delivered or caused to be pre-delivered to the Escrow Agent, any documentation as may be required to request deregistration of the purchased assets from the register of civil aircraft maintained by Transport Canada (the UTP Purchased Assets are to be exported to the United States).</p>	
	<p>In respect of both Transactions, the Court shall have issued the respective AVOs.</p>	

2. Copies of the UTP APA and the Momentum APA are provided in Appendices “C” and “D”, respectively. In respect of the UTP APA, the purchase price has been redacted. A copy of the unredacted UTP APA is provided in Confidential Appendix “1”.

3.4 Sealing

1. The Monitor recommends that the unredacted copy of the UTP APA be filed with the Court on a confidential basis and remain sealed pending further order of the Court or completion of the UTP Transaction, as making the purchase price publicly available may negatively impact the sale of the UTP Purchased Assets if the UTP Transactions does not close.
2. Sealing this information until the completion of the UTP Transaction or further Order of the Court is necessary to maximize recoveries in these proceedings and to maintain the integrity and confidentiality of the Sale Process.
3. The salutary effects of sealing such information from the public record outweigh the deleterious effects of doing so under the circumstances. The Monitor is of the view that the sealing of the Confidential Appendix is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Monitor believes the proposed sealing of the Confidential Appendix is appropriate in the circumstances.

3.5 Recommendation

1. The Monitor recommends that the Court approve the Transactions for the following reasons:
 - a) the Sale Process undertaken by the Company, with the assistance of the Agent, was commercially reasonable, consistent with the terms of the Sale Process Order and with the processes used for the Previously Approved Transactions;
 - b) the Agent is an experienced aircraft broker and is well known in the aviation industry;

- c) in the Agent's view, the purchase price under the UTP Transaction is consistent with its expectations considering the age and condition of the Purchased Assets;
- d) the Subsequent Offer received for the UTP Purchased Asset was received after the Company had signed back the UTP LOI, was conditional and provided for a lower deposit;
- e) in respect of the UTP Transaction, neither the Company nor the Agent is of the view that further marketing will result in a superior transaction;
- f) in respect of the Momentum Transaction, given the age, condition and the duration of the Sale Process, Momentum does not believe that it is likely to be able to complete a superior transaction within these CCAA proceedings for an amount that will provide a greater net recovery to Momentum;
- g) based on the results, the duration and breadth of the Sale Process and the state of the assets being sold in the Momentum Transaction, the Monitor does not believe that the value of any subsequent transaction for the Momentum Transaction assets will exceed the value of the Momentum Debt;
- h) the Transactions are unconditional, except for Court approval;
- i) Momentum consents to the Transactions. Given the combined purchase price of the Transactions, it is the only creditor with an economic interest in the Transactions and will, as a result, still suffer a significant shortfall;
- j) completion of the Transactions is the last material step in these CCAA proceedings and will enable them to be completed shortly; and
- k) as at the date of this Report, the Monitor is not aware of any affected stakeholder objecting to or likely to object to the Transactions.

3.6 Distributions

1. The sale proceeds from the UTP Transaction are currently held in trust with the Monitor as escrow agent in the UTP Transaction. The value of the Transactions is less than the amount of the Momentum Debt. Accordingly, the Monitor recommends that the Court approve the distribution of UTP Transaction proceeds and any other recoveries, if any, to Momentum up to the amount of the Momentum Debt, net of the commission payable to the Agent, sales taxes and the costs to complete these proceedings.

4.0 Cash Flow

1. A comparison of the Company's actual cash flow from April 14 to July 18, 2025 (the "Forecast Period") to the cash flow forecast provided in the Eighth Report is provided below.

(unaudited; \$)	Forecast	Actual	Variance
Receipts			
UPS revenues	-	-	-
GST/HST/QST refunds	-	848,085	848,085
	-	848,085	848,085
Disbursements			
Payroll	186,977	190,863	3,886
Leases	139,683	46,186	(93,497)
Insurance	35,212	33,617	(1,595)
Maintenance	154,000	67,348	(86,652)
Other general expenses	140,000	99,836	(40,164)
GST/HST/QST on expenditures	80,873	38,330	(42,544)
TD Loan - principal repayment	734,489	734,489	-
TD Loan – interest	77,486	77,356	(130)
	1,548,720	1,288,025	(260,695)
Net cash flow before professional fees	(1,548,720)	(439,940)	1,108,780
Professional fees	235,000	86,784	(148,216)
Net Cash Flow	(1,783,720)	(526,724)	1,256,996
Opening Cash Balance	67,969	67,969	-
Net Cash Flow	(1,783,720)	(526,724)	1,256,996
DIP Financing	1,750,000	915,000	(835,000)
Ending Cash Balance	34,250	456,246	421,996

2. As of the date of this Report, the Company has borrowed approximately \$5.83 million³ under the DIP Facility. As noted, the Company is not carrying on active business operations, which is reflected by the receipts line item, which shows no collections, other than tax refunds. Substantially all cash flow variances are positive, as operating costs and professional fees have been less than forecasted. The tax refunds (approximately \$848,000) were not forecasted in prior cash flow forecasts. Approximately \$812,000 of cash receipts during the Forecast Period was used to pay interest and principal on the TD Loan Facilities.

³ Includes amounts advanced under the DIP Facility before the Forecast Period.

4.1 Updated Cash Flow Forecast

1. The Company, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast, a copy of which is provided in **Appendix “E”**. The Company’s and the Monitor’s statutory reports on the Updated Cash Flow Forecast are attached as **Appendices “F” and “G”**, respectively.
2. Based on the Monitor’s review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable.
3. The authorized borrowing under the DIP Facility is \$6.75 million. As reflected by the Updated Cash Flow Forecast, an increase in the amount of the DIP Facility is not forecasted to be required.

5.0 Company’s Activities

1. The Company’s activities since the Eighth Report have included:
 - a) maintaining its remaining aircraft;
 - b) securing goods and services during these proceedings;
 - c) dealing with human resource matters, including employees terminated earlier in these proceedings;
 - d) continuing the Sale Process;
 - e) corresponding with prospective purchasers;
 - f) negotiating the UTP Transaction and working with Momentum regarding the Momentum Transaction;
 - g) completing the assignment of the TD Loan Facilities to Momentum;
 - h) preparing the Company’s cash flow forecast, comparing actual results to projected results and assisting the Monitor to report weekly to TD in accordance with the Forbearance Agreement; and
 - i) preparing the Updated Cash Flow Forecast.

6.0 Monitor’s Activities

1. Since the date of the Eighth Report, the Monitor has been, among other things:
 - a) corresponding with the Company’s management, the Agent, Norton Rose, and Cassels regarding the Sale Process, the UTP Transaction and the Momentum Transaction;
 - b) corresponding with the Company, the Agent and Norton Rose regarding various transactions that were not successfully completed;
 - c) monitoring the Company’s receipts and disbursements;

- d) reviewing the Company's weekly cash flow and reporting the same to msi Spergel Inc., TD's financial advisor, as required under the Forbearance Agreement;
- e) working with the Company and the Agent to carry out the Sale Process;
- f) assisting the Company to deal with creditors;
- g) considering the applicability of WEPPA in this proceeding and corresponding with NRF and Cassels regarding same;
- h) reviewing and commenting on the Company's motion materials for this motion; and
- i) drafting this Report and reviewing and commenting on the Company's related motion materials.

7.0 Stay Extension

1. The stay of proceedings expires on July 31, 2025. The Company is requesting an extension of the stay of proceedings to the CCAA Termination Date for the purposes of closing the Transactions and dealing with any sundry issues. It is anticipated that the CCAA proceedings will terminate well prior to CCAA Termination Date.
2. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
 - a) the Company is acting in good faith and with due diligence;
 - b) the Updated Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to pay all post-filing obligations;
 - c) it will allow the Company to complete the Transactions and address any other remaining matters in these proceedings;
 - d) Momentum supports the stay extension;
 - e) the Monitor believes that is in the best interests of the Company's stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
 - f) as of the date of this Report, neither the Company nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

8.0 WEPPA

1. Since the commencement of the CCAA proceedings, the Company has terminated substantially all employees. On their termination, employees received their outstanding wages and vacation pay but did not receive any termination pay or severance. Following the completion of the CCAA proceedings, the Company intends to file an assignment in bankruptcy, which will allow the Company's former employees to make claims under the Wage Earner Protection Program (the "**WEPP**") in respect of severance, termination or other amounts to which they may be entitled under that program.
2. Pursuant to WEPPA, employees who were terminated within the six months preceding the commencement of CCAA proceedings (being the first restructuring event) and those terminated during the CCAA proceedings may be eligible to file claims under WEPP.

9.0 Monitor's Release

1. The proposed CCAA Termination Order contemplates releases for the Monitor, Cassels and their respective affiliates and officers, directors, partners, employees and agents during these proceedings (the "**Released Parties**") from the Released Claims (as defined in the CCAA Termination Order).
2. The Released Claims do not include any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Released Parties.
3. The Monitor recommends that the Released Parties be discharged upon service of the Discharge Certificate on the service list as, subject to completing the Transactions and the outstanding sundry matters detailed below, their respective duties and responsibilities under the ARIO and other Court Orders granted in these proceedings will have been completed or substantially completed.
4. The Monitor is not aware of any party who has expressed concerns regarding the performance of its duties and obligations during these proceedings.
5. Prior to filing the Discharge Certificate, the Monitor intends to complete the following outstanding matters:
 - a) assist the Company to complete the Transactions;
 - b) distribute the sale proceeds in the UTP Transaction; and
 - c) address any sundry administrative matters.
6. The proposed CCAA Termination Order provides that the Monitor shall continue to have the protections afforded to it under the ARIO for the performance of such incidental duties as may be required to complete the administration of the CCAA proceedings. The Monitor is of the view that this provision is appropriate as it will allow it to address any issues that may arise following its discharge, if any. This is a customary provision in the model discharge orders granted in CCAA proceedings.

10.0 Professional Fees

1. The Monitor's fees (excluding disbursements and HST) from April 1 to June 30, 2025 total \$18,495.
2. Cassels' fees (excluding disbursements and HST) from April 1 to June 30, 2025 total \$6,600.
3. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$715.47 and \$687.50, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Cassels are provided as exhibits to the affidavits sworn by representatives of the Monitor and Cassels, attached as **Appendices "H" and "I"**, respectively (the **"Fee Affidavits"**).
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by law firms practicing corporate insolvency and restructuring in the Toronto market, and that the fees charged by Cassels and the Monitor were incurred in accordance with the ARIO and other orders issued in these proceedings.
6. The Monitor is seeking approval of the Fee Accrual in the amount of \$100,000 (plus HST and disbursements). The Monitor is of the view that the Fee Accrual will be sufficient to cover its fees and Cassels' fees from July 1, 2025 to the completion of these CCAA proceedings. Those fees have principally been, or will be, incurred in connection with preparing for this motion, drafting this Report, closing the Transactions and dealing with the remaining administrative matters in these proceedings.

11.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief requested in this Report.

* * *

All of which is respectfully submitted,

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS MONITOR IN THE CCAA PROCEEDINGS OF
SKYLINK EXPRESS INC.
AND NOT IN ITS PERSONAL CAPACITY**