

Division of: Ontario
Division No.: 09 - Toronto
Estate Number: 32-3024257
Court Number: 32-3024257

**IN THE MATTER OF THE BANKRUPTCY OF
SOLVBL SOLUTIONS INC.
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO**

**REPORT OF THE TRUSTEE'S PRELIMINARY ADMINISTRATION
OF THE ESTATE OF SOLVBL SOLUTIONS INC.**

1. SoLVBL Solutions (“**SoLVBL**” or the “**Company**”) is a publicly traded company that commenced trading on the Canadian Securities Exchange (“**CSE**”) on February 23, 2021, with a registered head office in Toronto. SoLVBL was a blockchain focused technology company with an emphasis on its proprietary technology platform “Q by SoLVBL” which provided high speed digital record authentication.
2. By December 21, 2023, the date of the bankruptcy (“**Date of Bankruptcy**”), the Company had ceased operations and assigned itself into bankruptcy and Dodick Landau Inc. was appointed as Trustee in Bankruptcy of the Company (“**Trustee**”).

Company Background

3. SoLVBL was created on February 10, 2021 as the result of a reverse takeover between Stowe One Investments Corp. and Agile Blockchain Corp. (“**Agile**”). Upon the amalgamation, SoLVBL carried on the business of Agile. SoLVBL began trading on the CSE at a publicly listed closing price of \$0.60 per share, which price steadily declined in the months that followed.
4. SoLVBL did not earn any operating revenue since its inception. It’s annual expenses and operating losses were financed by way of loans and public share issuances.
5. On December 6, 2023, Canadian Investment Regulatory Organization halted trading of the shares of the Company.
6. With no remaining ongoing business, and no access to further financing, the Company was of the view that it had no other alternative but to assign itself into bankruptcy.

Darkhorse Films Limited

7. On October 26, 2022, the Company completed the acquisition of all of the issued and outstanding shares of Darkhorse Films Limited (“**DFL**”), a United Kingdom registered blockchain powered digital entertainment and e-commerce business (“**DFL Acquisition**”). The

total purchase price was \$10.15 million, which was to be satisfied in part by cash and in part through the shares of SoLVBL. Furthermore, the cash portion was payable over time.

8. On October 11, 2023, the Company announced that it had entered into debt settlement and release agreements (the “**Debt Settlement Agreements**”) with, among others, certain creditors of the Company and certain creditors of DFL (collectively, the “**Creditors**”).
9. Pursuant to the terms of the Debt Settlement Agreements, DFL issued from treasury an aggregate of 9,599,900 shares of common stock (the “**Darkhorse Shares**”) to the Creditors as full and final settlement of all existing indebtedness in the aggregate amount of \$3,432,858 (the “**Indebtedness**”) owing to the Creditors (the “**Transaction**”).
10. The Indebtedness relates to accrued operating costs of DFL and a contingent liability owing by the Company to the former shareholders of DFL in connection with the DFL Acquisition. No securities of the Company were issued pursuant to the Transaction.
11. Following completion of the Transaction, the Creditors now own 96% of the issued and outstanding Darkhorse Shares and the Company retained the remaining 4% of the issued and outstanding Darkhorse Shares.

Insolvency Proceeding

12. Following its appointment, the Trustee distributed a Notice of Bankruptcy, a copy of the Statement of Affairs and a Proof of Claim form with instructions to all known creditors and shareholders, as well as placed a Notice of Bankruptcy ad in the Toronto Sun.

Assets

13. As summarized in the Statement of Affairs, the Company had \$10,000 in cash remaining at the Date of Bankruptcy.
14. As noted above, as at the Date of Bankruptcy, the Company retained 4% of Darkhorse Shares. As it is uncertain what value, if any, is attributable to these shareholdings, no value was ascribed to them in the Statement of Affairs.
15. Following the Date of Bankruptcy, upon reviewing the SoLVBL general ledger for the period ending November 2023, the Trustee identified a receivable from Darkhorse Technologies Ltd (“**DTL**”), a company related to DFL, of approximately \$240,000, on account of certain expenses that the Company had paid for on behalf of DTL. It is unknown what, if any, is the realizable value of this receivable. The Trustee is in the process of reviewing the collectability of this receivable.

Books and Records

16. The Trustee has received certain books and records but has not yet had an opportunity to complete its review of them.

Conservatory and Protective Measures

17. The Trustee has redirected the Company's mail to the Trustee's office as a conservatory measure.

Provable Claims

18. At the date of this report, the Trustee has received five unsecured Proofs of Claim with a value of approximately \$226,000.
19. The Statement of Affairs lists thirty-two unsecured creditors with potential provable claims totalling \$500,844.

Anticipated Realizations and Projected Distribution

20. It is unknown at this time whether a distribution will be available to the Company's creditors in the bankruptcy proceeding.

Transfers at Undervalue and Preferential Payments

21. To date, the Trustee has not commenced a review of the Company's records in the Trustee's possession to determine if there are any potential transfers at undervalue or preferential transactions.

Third-Party Deposit

22. Prior to the commencement of the Bankruptcy proceeding, the Trustee obtained a retainer deposit from the former directors of the Company totalling \$15,000 as security for a portion of the costs of the Bankruptcy administration.

Dated at Toronto, Ontario, this 23rd day of January 2024.

DODICK LANDAU INC.

Acting solely as Trustee in Bankruptcy
of the Estate of SoLVBL Solutions Inc.
and not in its personal or corporate capacity.

Per: .



Rahn Dodick CPA, CA, CIRP, LIT
President