

Court File No.

**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 EARTH BORING CO. LIMITED, YARBRIDGE
HOLDINGS INC., TROLAN INVESTMENTS LTD., AND YARFIELD
SERVICES LIMITED**

Applicants

REPORT OF BDO CANADA LIMITED AS THE PROPOSED CCAA MONITOR

APRIL 16, 2025

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INTRODUCTION

1. On April 15, 2025 (the “**NOI Filing Date**”), Earth Boring Co. Limited (“**EBCL**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in EBC’s proposal proceedings (the “**Proposal Proceedings**”). A copy of the certificate of filing of a Notice of Intention to Make a Proposal (the “**Certificate of Filing**”) issued by the Office to the Superintendent of Bankruptcy (the “**OSB**”) is attached hereto as **Appendix “A”**.
2. BDO (the “**Proposed Monitor**”) understands that the Applicants have brought an application (the “**CCAA Application**”) before this Court returnable on April 17, 2025, seeking an initial order (the “**Proposed Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) to, among other things, obtain a stay of proceedings to allow them an opportunity to restructure their business and to conduct sale and investment and solicitation process and/or refinancing process. The proceedings to be commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. The Applicants propose that BDO be appointed as monitor in these CCAA Proceedings (if appointed in such capacity, the “**Monitor**”).
4. The Applicants also seek to have the stay of proceedings extended to Pennbridge Holdings Inc., which is a related party and indirect owner of the Applicants.
5. The Applicants also seek an order (the “**Lien Regularization Order**”) to, among other things, stay the rights of any person (“**Lien Claimant**”) who supplied services and/or materials to the Applicants solely with respect to certain construction projects to which the Applicants are a contracting party and which are listed in Schedule “A” to the Lien Regularization Order, to preserve, maintain, perfect, or register liens, including by way of a notice of lien pursuant to and in accordance with the *Construction Act*, other than as permitted by the Lien Regularization Order; grant a Lien Charge over certain of the Applicants property; and, establish the priority of the Lien Charge.

6. This report (the “**Report**”) has been prepared by the Proposed Monitor prior to and in contemplation of its appointment as Monitor in these CCAA Proceedings, should this Court grant the Proposed Initial Order and the Lien Regularization Order, to provide information to this Court for its consideration in respect of these CCAA Proceedings.

PURPOSE

7. The purpose of this Report is to provide information to the Court on:
 - (a) the Proposal Proceedings;
 - (b) BDO's qualifications to act as Monitor, if appointed;
 - (c) an overview of the Applicants;
 - (d) background on the circumstances leading to the Applicants’ decision to commence CCAA proceedings;
 - (e) an overview of the Applicants’ 2-week cash flow forecast on a consolidated basis (the “**Interim Cash Flow Forecast**”) and the Proposed Monitor’s comments regarding the reasonableness thereof;
 - (f) certain relevant matters about the relief sought in the Proposed Initial Order and the Lien Regularization Order; and
 - (g) the Proposed Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

8. In preparing this Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report in respect of the Interim Cash Flow Forecast:
 - (a) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided.

However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

(b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

9. Future oriented financial information referred to in this Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variation could be significant.
10. Unless otherwise indicated, the Proposed Monitor’s understanding of the factual matters expressed in this Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

PROPOSAL PROCEEDINGS

12. Prior to the NOI Filing Date, the Applicants had been in on-going discussions with various of its significant stakeholders, with regards to cash funding requirements to stabilize EBCL’s business. The Proposed Monitor understands that discussions broke down on or around April 14, 2025 and, as a result, EBCL obtained an immediate stay of proceedings to preserve its business through the filing of the NOI on April 15, 2025, in advance of the CCAA application.

13. The Applicants seek to continue the Proposal Proceedings under the CCAA pursuant to section 11.6 of the CCAA. Given the complicated factual and legal issues currently facing the Applicants, the CCAA is the best forum for these insolvency proceedings and presents the best possible chance of maximizing value for all stakeholders of the Applicants.
14. The Proposed Monitor supports the Applicants' motion to continue the Proposal Proceedings under the CCAA.

BDO'S QUALIFICATIONS TO ACT AS MONITOR

15. BDO is a licensed insolvency trustee within the meaning of section 2 of the BIA. BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.
16. BDO has been actively involved with the Applicants and their primary secured lender, the Bank of Montreal ("**BMO**"), since early March of 2025. BDO's involvement to date includes a review of the Applicants' current financial position, weekly cash flow forecasts, bank reporting obligations, and key project-level data for BMO and the Applicants. BDO has gained a detailed understanding of the Applicants' financial position, capital structure, and operations.
17. The Proposed Monitor has retained Gowling WLG (Canada) LLP to act as its independent legal counsel in the CCAA Proceedings.

OVERVIEW OF THE APPLICANTS

18. This Report should be read in conjunction with the Affidavit of Eugene Woodbridge, sworn April 16, 2025 (the "**Woodbridge Affidavit**"). Mr. Woodbridge is the Chief Executive Officer of EBCL, President of Yarbridge Holdings Inc. ("**Yarbridge**"), and the Vice President of Yarfield Services Limited ("**Yarfield**") and Trolan Investments Ltd. ("**Trolan**"). The Woodbridge Affidavit contains additional background and financial information with respect to the Applicants. Any terms not expressly defined herein are otherwise defined in the Woodbridge Affidavit.
19. The details of the four (4) Applicant companies are as follows:

- (a) EBCL is a private corporation, incorporated pursuant to the laws of Ontario, that maintains its registered head office at 1775 North Sheridan Way, Mississauga, Ontario (“**Head Office**”). EBCL also maintains an administrative office located at 1576 Ifield Road, Mississauga (“**Admin Office**”). EBCL is the principal operating company and contracting entity between the Applicants and its construction project customers;
 - (b) Yarbridge is a private corporation, incorporated pursuant to the laws of Ontario, that maintains a registered head office at 1775 North Sheridan Way, Mississauga, Ontario. Yarbridge is a holding company solely for the equipment storage and maintenance facility, located at 960 Zelco Drive, Burlington (“**Burlington Property**”);
 - (c) Yarfield is a private corporation, incorporated pursuant to the laws of Ontario, that maintains its registered head office at 1775 North Sheridan Way, Mississauga, Ontario. Yarfield was the management company of the Applicants but has been dormant since January of 2025; and
20. Trolan is a private corporation, incorporated pursuant to the laws of Ontario, that maintains a registered head office at 1775 North Sheridan Way, Mississauga, Ontario. Trolan is solely a holding company for an inventory storage yard located at 75 Steelwell Road, Brampton, Ontario (“**Brampton Property**”). Founded in 1947, EBCL is a Mississauga-based company that specializes in trenchless construction services across Ontario, including microtunneling, mixed microtunneling and boring, auger boring, and directional drilling. EBCL is the oldest and largest provider of such services in Ontario and has completed over 2,400 projects for over 120 customers. EBCL’s clients include municipalities such as the City of Toronto, the Region of Peel, and York Region, as well as large infrastructure contractors including EllisDon and Aecon.
21. As set out in more detail in the Woodbridge Affidavit and below, the Applicants are a trenchless construction service provider and operate in the construction industry.
22. The Applicants operate from four (4) primary locations:

- (a) a leased Head Office;
- (b) a leased (related party) Admin Office;
- (c) the Burlington Property; and
- (d) the Brampton Property.

23. As of the date of this Report, the Applicants employ approximately 99 individuals across their operations, including 17 management personnel, 71 unionized employees, and 11 temporary or agency staff. All employees are employed by EBCL and are located in Ontario.

24. The Applicants' unionized employees, consisting of highly skilled trades and labourers, are governed by two (2) collective agreements with three (3) unions:

- (a) International Union of Operating Engineers Local 793 - for employees engaged in the operation of cranes, shovels, bulldozers and similar equipment, maintenance, installation and repair of same, save and except for foremen, those above the rank of foreman, office and clerical staff, shop and yard employees, engineering staff and security staff working within certain geographic areas in Ontario; and
- (b) Teamsters' Local Union 230 and Labourers' International Union of North America, Local 183 – for all employees save and except non-working foremen and persons above the rank of non-working foreman in the sewer and watermain industry in specific geographic areas.

25. The Applicants are in the business of delivering critical infrastructure for public sector clients and private general contractors. The business is capital intensive, requiring significant up-front investment in equipment and labour prior to collecting progress and holdback payments from its customers.

26. The Applicants do not operate any other lines of business and do not have any foreign operations.

CIRCUMSTANCES LEADING TO THE APPLICANTS' CCAA FILING

27. The Applicants have encountered a number of financial and operational challenges in the past 18 months, which have collectively contributed to their liquidity crisis and the need to seek protection under the CCAA:

- (a) the Applicants experienced fast revenue growth from 2021 to 2024, having over 30 new projects totaling more than \$130 million in value. While this expansion positioned the Applicants for a larger market presence, the upfront capital requirements strained the Applicants' working capital and exposed the business to heightened execution risk;
- (b) the Applicants incurred a material project loss on a large municipal job in Caledon (the "**Caledon Project**"), which was initially expected to be profitable. Due to project delays, improper pre-billing, and significant remediation costs, the project generated a loss of approximately \$15 million. This loss was the first of its kind in the Applicants' history and significantly impacted its financial position;
- (c) in connection with execution issues by subcontractors on two other large jobs, the Applicants incurred approximately \$22 million in upfront costs to continue performance. Although the Applicants expect to recover a portion of these amounts through insurance, a substantial portion remains outstanding, resulting in additional cash flow pressure;
- (d) a key project previously expected to generate approximately \$11.4 million in revenue in 2024 was delayed due to changes to Ontario's Housing-Enabling Water Systems Fund, which impacted the Applicants' eligibility. As a result, project revenues originally budgeted for 2024 were deferred to 2025 or later; and
- (e) recent industry-wide changes, including new tariffs affecting equipment imports and public procurement practices, have contributed to tender delays

and market uncertainty, resulting in a slower pipeline conversion and reduced near-term revenue visibility.

28. In response to these challenges, the Applicants engaged:

- (a) Stifel Financial Corporation (“**Stifel**”) to conduct a sale and investment solicitation process (the “**Pre-Filing SISP**”). Although the Pre-Filing SISP generated interest from multiple parties, no transaction materialized in time to address the Applicants’ immediate liquidity needs; and
- (b) Steinberg Advisory Inc. (“**Steinberg**”) as its financial and operational advisor in March of 2025 to assist Management with EBCL’s ongoing financial and operational requirements and assisting with stakeholder information requests.

29. As cash flow deteriorated, the Applicants approached their senior secured lender, BMO, for additional financing. While BMO provided a \$1 million advance under a Second Amendment to the Credit Agreement and Forbearance Agreement (the “**Second Amendment**”). BMO was only willing to provide further funding under a court-supervised process with the usual protections provided to lenders providing debtor-in-possession financing.

30. Given the EBCL’s liquidity constraints, it currently has insufficient liquidity to meet near-term obligations, including payroll. Following consultation with their financial and legal advisors, the Applicants determined that a filing under the CCAA was necessary to maintain operations, and complete profitable projects. The Applicants intend to proceed with a court-supervised restructuring, including a new sale and investment solicitation process (the “**CCAA SISP**”). The Applicants will also seek to disclaim unprofitable contracts while completing a select group of revenue-generating projects (the “**Continuing EBC Projects**”). As well, the Applicants also seek a Lien Regularization Order to preserve the position of lien claimants while unlocking project-level cash receipts.

31. The Proposed Monitor understands that the Applicants have the support of BMO and intend to work collaboratively with Aviva Insurance Company of Canada (“**Aviva**”), the

provider of certain labour and material and performance bonds in respect of the Applicants' projects, throughout the restructuring process.

OVERVIEW OF APPLICANTS' 2-WEEK INTERIM CASH FLOW FORECAST

32. The Applicants have prepared an Interim Cash Flow Forecast for the 2-week period from April 17, 2025, to the week ending April 25, 2025 (the "**Interim Cash Flow Period**") for the purposes of projecting the Applicants' estimated liquidity needs during the Interim Cash Flow Period. A copy of the Interim Cash Flow Forecast is attached hereto as **Appendix "B"**.
33. Additionally, a copy of the 12-week cash flow forecast for the period ending July 4, 2025 (inclusive of the Interim Cash Flow Forecast) (the "**Cash Flow Forecast**") is attached hereto as **Appendix "C"**.
34. The Interim Cash Flow Forecast is presented on a weekly basis and represents Management's estimates of the projected cash flow during the Interim Cash Flow Period. The Interim Cash Flow Forecast and the Cash Flow Forecast have been prepared by the Applicants using probable and hypothetical assumptions (the "**Assumptions**") as set out in the notes to the Interim Cash Flow Forecast.
35. The Proposed Monitor has reviewed the Interim Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- (a) the Assumptions are not consistent with the purpose of the Interim Cash Flow Forecast;
 - (b) as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable

basis for the Interim Cash Flow Forecast, given the probable and hypothetical assumptions; or

(c) the Interim Cash Flow Forecast does not reflect the Assumptions.

36. The Proposed Monitor notes that the Interim Cash Flow Forecast has been prepared solely for the purpose described above and since the Interim Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that it may not be appropriate for other purposes.

37. The Interim Cash Flow Forecast shows that during the Interim Cash Flow Period, the Applicants will experience a net cash outflow of approximately \$2,163,339. The Interim Cash Flow Forecast projects that during the Interim Cash Flow Period the Applicants should have sufficient liquidity, with the support of the DIP Facility (defined below and subject to approval).

38. The Proposed Initial Order contemplates a DIP Facility and a DIP Lender's Charge in the amount of \$2,200,000. As detailed below, the Proposed Monitor believes that the amount of the DIP Facility and DIP Lender's Charge is appropriate and necessary given the Interim Cash Flow Forecast and is limited to the amounts reasonably necessary.

RELIEF SOUGHT BY THE APPLICANTS

39. The Applicants' Proposed Initial Order seeks, among other things, a stay of proceedings, granting of various charges, and other relief to permit the Applicants to stabilize their business and pursue a restructuring of their affairs.

Stay of Proceedings

40. The Applicants seek a stay of proceedings through and including April 27, 2025 (the "**Initial Stay Period**"), which is necessary to provide the Applicants with time to preserve enterprise value, continue profitable projects, and develop and implement a restructuring strategy.

41. The Applicants seek an extension of the stay of proceedings to protect a related entity, Pennbridge Holdings. This entity is the beneficiary of the Pennbridge Family Trust (which owns all or substantially all of the shares of each of the Applicants) and is a guarantor or indemnifier on various of the Applicants' secured obligations including to Aviva, BMO, and Business Development Bank of Canada ("**BDC**").
42. The Proposed Monitor is supportive of the stay extension to Pennbridge Holdings as a means to facilitate an orderly restructuring process, given that Pennbridge Holdings is closely connected with the Applicants, and given its obligations related to the Applicants' business.
43. The Applicants also seek a stay of proceedings with respect to claims on certain performance bonds issued by Aviva in relation to the Continuing EBC Projects. The Proposed Monitor supports this relief as the Applicants intend to complete the Continuing EBC Projects as part of their restructuring plan. If not stayed, calls on the applicable performance bonds could otherwise cause potential instability and interruption to the Continuing EBC Projects.

CRO Appointment

44. The Applicants seek the appointment of Steinberg as Chief Restructuring Officer ("**CRO**"). The CRO's engagement agreement dated April 16, 2025, which is attached hereto as **Appendix "D"**, outlines that Steinberg will provide operational restructuring support, assist with the CCAA SISP, assist with negotiations with Aviva and other key stakeholders, and manage the disposition of non-core assets. The CRO's monthly compensation is subject to performance-linked metrics. The CRO's monthly work fees and expenses are to be secured by the Administration Charge.
45. As part of the CCAA SISP, the CRO will also be entitled to a success fee if a successful transaction (as defined in the engagement agreement) occurs. This CRO success fee will require a later charge over the Company's assets if the CCAA SISP is approved by the Court.

46. The Proposed Monitor supports the engagement and appointment of the CRO and believes that the terms of the CRO's engagement, including its compensation, are fair and reasonable in the circumstances and comparable to similar engagements in other cases. The appointment of the CRO will facilitate an effective and value-maximizing restructuring process. Additionally, the Dip Facility Term Sheet (defined below) requires that the Applicants engage the CRO.

Payment of Critical Pre-Filing Obligations

47. The Applicants seek the power to pay amounts owing for goods and services provided prior to the date of the Initial Order. This relief is sought because the Applicants are heavily reliant on a small number of highly specialized suppliers and contractors and require the flexibility to protect their business through limited payment of pre-filing amounts to these suppliers and contractors. The power to make such pre-filing payments will be subject to the Proposed Monitor's prior consent, which shall be the subject of careful consideration by the Proposed Monitor.

48. On this basis, the Proposed Monitor supports the granting of the power to pay pre-filing amounts.

Charges

49. The Applicants seek the granting of the following charges:

- (a) the Administration Charge;
- (b) the DIP Lender's Charge;
- (c) the Director's Charge; and
- (d) the Lien Charge.

THE ADMINISTRATION CHARGE

50. The Proposed Initial Order provides for a charge up to a maximum amount of \$300,000 (the "**Administration Charge**") in favour of counsel to the Applicants, the Proposed Monitor and the Proposed Monitor's independent counsel, and the CRO monthly work fees, as security for the professional fees and disbursements incurred prior to and after

the commencement of the CCAA proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the DIP Facility.

51. The Proposed Monitor is of the view that given the current liquidity constraints of the Applicants, the proposed Administration Charge is required. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the professionals in the CCAA proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

DIP FACILITY AND DIP LENDER'S CHARGE

52. The Applicants are seeking approval of the DIP facility term sheet dated April 16, 2025 (the "**DIP Term Sheet**") between BMO, as the DIP lender ("**DIP Lender**"), EBCL, as borrower (the "**Borrower**"), and Yarbridge, Yarfield and Trolan, as guarantors, pursuant to which the DIP Lender has agreed to provide interim financing (the "**DIP Facility**") to provide sufficient liquidity to continue operations during the Initial Stay Period, subject to the terms of the DIP Facility.

53. In addition to the approval of the proposed DIP Facility, the Proposed Initial Order contemplates the creation of a related charge of \$2.2 million to match the borrowing requirements under the DIP Facility required by the Applicants pursuant to the Interim Cash Flow Forecast.

54. The material items, terms and conditions of the DIP Facility include the following:

(a) a maximum principal amount of \$5,500,000 advanced as follows:

- (i) \$2.2 million on the issuance of the Initial Order (the "**Initial Advance**"); and
- (ii) subject to further Court approval, additional advances in amounts as required by the Borrower and subject to the additional advance conditions ("**Additional Advances**" together with the Initial Advance as the "**Advances**");

- (b) the purpose of the DIP Facility is to fund:
 - (i) the Applicants' operating expenditures during the CCAA Proceedings;
 - (ii) interest, fees and other amounts owing to the DIP Lender (including the Initial Fee, as defined and discussed below); and
 - (iii) the reasonable and documented legal and advisory fees and expenses, including of the CRO, the Applicants' counsel, the DIP Lender's counsel, and the Monitor and its counsel;
- (c) interest rate: Bank of Montreal Prime (currently 4.95%) plus 4.5% per annum (i.e., 9.45% per annum), on the outstanding balance owing under the DIP Facility, not in advance, and accrued monthly and added to the DIP Facility and paid on termination;
- (d) commitment fee: \$100,000 (the "**Commitment Fee**"), representing approximately 1.8% of the maximum amount drawable on the DIP Facility, which is payable on the Maturity Date (as defined below);
- (e) standby fee: 0.25% of the unused portion of the DIP Facility, calculated daily and payable on the Maturity Date (as defined below).
- (f) payment: the DIP Facility is to be repaid on the maturity date, which is defined as the earlier of:
 - (i) July 31, 2025 (or such later date as the DIP Lender in its discretion may agree to in writing with the Borrower);
 - (ii) the date on which:
 - I. the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or
 - II. the CCAA Proceedings are terminated for any reason;

- (iii) the closing of a purchase and sale of substantially all of the assets or shares of the Borrower which has been approved by an order entered by the Court;
 - (iv) the implementation of a plan in the CCAA Proceedings approved by an order entered by the Court;
 - (v) the refinancing of the DIP Facility upon the written consent of the DIP Lender;
 - (vi) the date on which the CCAA Proceedings are terminated or are converted into a proceeding under the Bankruptcy and Insolvency Act (Canada), or the stay of proceedings expires without extension;
 - (vii) the payment in full of the Obligations owing to the DIP Lender; or
 - (viii) the occurrence of an Event of Default (the “**Maturity Date**”);
- (g) prepayment: prepayment of the DIP Facility requires the Applicants to repay any advances made under the DIP Facility with 100% of the proceeds of any of the following:
- (i) insurance proceeds or expropriation awards received by a Borrower, unless in the case of insurance proceeds;
 - (ii) any extraordinary payments received by a Borrower;
 - (iii) the net cash proceeds from the sale of any equity interests in a Borrower or its subsidiary or the receipt of capital contributions by a Borrower or its subsidiary; and
 - (iv) the balance of any contract funds received on an ongoing basis (e.g. progress payments, statutory, deficiency and warranty holdback, and substantial completion and final completion payments) after payment, on a per project basis, of amounts owing for work performed or materials supplied after the date of the Initial Order, with written consent of the DIP Lender and the Monitor, and any

retention of any statutory, or, if applicably, contractual holdback, subject in each case to the DIP Lender's Charge.

55. The DIP Facility is to be secured by a court ordered priority charge over all of the Applicants present and after-acquired property, subject only to the Administration Charge. The DIP Facility will be available to the Applicants up to the amount of the Initial Advance upon the issuance of the proposed Initial Order approving the DIP Term Sheet and the DIP Lender's Charge. A copy of the DIP Term Sheet is attached hereto as **Appendix "E"**.

56. The Proposed Monitor notes the following in respect of the DIP Facility:

- (a) the availability under the DIP Facility accords with the Applicants' Interim Cash Flow Forecast and is expected to provide sufficient liquidity to the Applicants through the forecast period; and
- (b) the interest and fees payable under the DIP Facility are well within the range of similar DIP facilities approved by this Court in the context of other CCAA proceedings.
- (c) The DIP Lender is the incumbent secured lender and an experienced DIP facility provider, and the Proposed Monitor is of the view that the DIP Lender can fulfill its obligations under the DIP Term Sheet, if approved; and
- (d) The DIP Facility grants the DIP Lender standard reporting and oversight functions and will not unnecessarily burden the Applicants or their advisors in the circumstances.

57. The Proposed Monitor therefore believes the terms offered by the DIP Lender in the DIP Term Sheet are reasonable in the circumstances.

58. As described in the Interim Cash Flow Forecast, the Applicants have a critical and immediate need for interim financing. Without access to the DIP Facility, the Applicants will be unable to continue operation during the Interim Cash Flow Period as:

- (a) the Applicants' have two (2) payroll periods prior to the Comeback hearing;

- (b) there is an immediate need to fund materials for ongoing projects;
- (c) the professionals associated with the proposed CCAA proceedings have significant accrued fees and disbursements and inadequate retainers to work on the proceedings beyond the date of the Proposed Initial Order without payment; and
- (d) other overhead operating expenses for insurance, utilities and technology costs critical to running the Applicants operations prior to the comeback hearing.

59. Provided the DIP Facility is approved by the Court, based on the Interim Cash Flow Forecast, the Proposed Monitor believes that the Applicants will have sufficient liquidity during the Initial Stay Period. The Proposed Monitor is satisfied that the amounts set out in the Interim Cash Flow Forecast to be paid prior to the comeback hearing are necessary and reasonable in the circumstances.

60. The DIP Facility is conditional on the granting of the DIP Lender's Charge, and as such, the Proposed Monitor is also of the view that the DIP Lender's Charge is appropriate in the circumstances to maintain the Applicants' business in the normal course and finance these CCAA proceedings. The DIP Lender's Charge will only secure amounts advanced during the Initial Stay Period.

THE D&O CHARGE

61. The Initial Order provides for a \$200,000 charge to secure an indemnity in favour of the current directors and officers of the Applicants (the **"Directors and Officers"**) against obligations and liabilities that they may incur as director or officers of the Applicants after the commencement of these CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of such director's or officer's gross negligence or willful misconduct (the **"D&O Charge"**).

62. The Directors and Officers do not have a directors' and officers' insurance policy. Accordingly, the D&O Charge is needed to ensure they have coverage for post-filing

director and officer obligations so as to ensure their cooperation and assistance with the CCAA Proceedings.

63. The Proposed Monitor reviewed the calculation of the D&O Charge taking into consideration the estimated quantum and timing of collections and payments for Harmonized Sales Tax (“**HST**”) and employee wages.

64. Based on the foregoing, the Proposed Monitor is of the view that the Directors’ Charge is limited to what is required for the Initial Stay Period and is reasonable in the circumstances.

LIEN REGULARIZATION ORDER

65. The Applicants seek a proposed lien regularization order (the “**LRO**”) to establish a centralized, court-supervised process for preserving construction lien claims, avoiding the need for individual motions for leave under the stay and preventing lien notices and lien claims from being filed. Without such relief, the Proposed Monitor is of the view that progress payments on the Continuing EBC Projects could be jeopardized, to the severe detriment of the Applicants’ liquidity and business.

66. Specifically, the LRO:

- (a) protects the position of lien claimants;
- (b) vacates registered liens from title and replaces them with deemed notices of lien and a consolidated lien charge (the “**Lien Charge**”);
- (c) establishes a standardized lien notice process for claimants;
- (d) directs project payments on Continuing EBC Projects to be accounted for on a project-by-project basis;
- (e) preserves project-level cash flow for construction-related costs;
- (f) enables the release of holdbacks and receivables affected by lien uncertainty;
and
- (g) provides the Monitor with oversight and reporting obligations.

67. The Proposed Monitor supports the LRO, which substitutes the technical procedures under the *Construction Act* with a streamlined, court-supervised protocol. The LRO protects the interests of lien claimants, removes liens from title, and allows access to project funds. This relief has been granted in similar CCAA and receivership proceedings involving construction-sector debtors and is critical to preventing operational standstills and maintaining value.

CONCLUSIONS AND RECOMMENDATIONS

68. The Proposed Monitor has reviewed the Applicants' CCAA application materials and has consented to act as the Monitor of the Applicants, should this Court grant the Proposed Initial Order.

69. For the reasons stated herein, the Proposed Monitor is of the view that the relief requested by the Applicants as set forth in the proposed Initial Order is necessary, reasonable, and justified and will provide the Applicants the best opportunity to preserve value and maximize recoveries for its stakeholders.

70. The Proposed Monitor is therefore supportive of the Applicants request for relief pursuant to the CCAA and the terms of the proposed Initial Order.

**BDO CANADA LIMITED, in its capacity
as Proposed Monitor of the Applicants, and
not in its corporate or personal capacity.**

Per:



**Clark Lonergan, CA, CPA, CIRP, LIT
Partner/Senior Vice President**



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 09 - Mississauga
Court No.: 32-3212103
Estate No.: 32-3212103

In the Matter of the Notice of Intention to make a proposal of:

Earth Boring Co. Limited

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 15, 2025

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 15, 2025, 17:29

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Earth Boring Co. Limited, Yarbridge Holdings Inc., Trolan Investments Ltd.,
and Yarfield Services Ltd. (the "Companies" or the "Applicants")
Interim Cash Flow Forecast for the Period
April 17, 2025 to April 25, 2025
(\$ CAD)

Week #		1	2	Total
Week Ending		2025-04-18	2025-04-25	
Receipts	Notes			
Regular Billing	1	34,740	1,285,471	1,320,212
Holdback Receipts	2	-	-	-
Other Deposit		-	-	-
Old Job Collections	3	15,000	50,000	65,000
Total Receipts		49,740	1,335,471	1,385,212
Disbursements				
Payroll - Admin	4	67,686	-	67,686
Source Deductions - Admin	4	1,290	52,000	53,290
Benefits, RRSPs, Health Tax - Admin	5	-	50,050	50,050
Payroll - Union	6	86,937	86,000	172,937
Union Obligations	7	-	248,379	248,379
Source Deductions - Union	6	51,324	56,304	107,628
Third Party Labour	8	-	24,007	24,007
Benefits, RRSPs, Health Tax - Union	5	21,980	-	21,980
Consultants	9	-	25,814	25,814
Rent Payments		-	-	-
Mortgage Payments		-	-	-
Debt Servicing	10	-	35,025	35,025
BMO Mastercard	11	250,000	250,000	500,000
Insurance		-	-	-
CRA & CBSA Payments		-	-	-
Utilities/Network charges/Other	12	-	6,333	6,333
Vendor Payments	13	876,461	876,461	1,752,921
G&A Spend	14	25,000	25,000	50,000
Professional and Restructuring	15	282,500	100,000	382,500
DIP Interest		-	-	-
Contingency	16	25,000	25,000	50,000
Total Disbursements		1,688,178	1,860,373	3,548,551
Opening Balance		-	(1,638,438)	-
Net Cash Inflow/(Outflow)		(1,638,438)	(524,902)	(2,163,339)
Surplus/(Deficit)		(1,638,438)	(2,163,339)	(2,163,339)
Restricted Cash	2	58,489	-	58,489

Earth Boring Co. Limited, Yarbridge Holdings Inc., Trolan Investments Ltd.,
and Yarfield Services Ltd. (the "Companies" or the "Applicants")
Interim Cash Flow Forecast for the Period
April 17, 2025 to April 25, 2025
(\$ CAD)

Notes to the Unaudited Interim Cash Flow Forecast of the Applicants

In preparing this cash flow forecast (the "Interim Cash Flow Forecast") the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Interim Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the Interim Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the Interim Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Overview

The Interim Cash Flow Forecast includes the receipts and disbursements of all of the Applicants during the Interim Cash Flow Forecast period. The Applicants, with the assistance of BDO Canada Limited in its capacity as the monitor of the Applicants (the "Monitor") have prepared the Interim Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings.

Assumptions:

- 1 Represents progress billings on active construction projects.
- 2 Holdback receipts related to completed projects. All holdback receipt has been treated as restricted cash, pending priority determination.
- 3 Reflects collection efforts on aged accounts receivable.
- 4 Admin payroll is paid biweekly and expected to decline as unprofitable projects are wound down. Source deductions are remitted one week after payroll. Week 1 admin payroll and week 2 source deduction are related to pre-filing wages.
- 5 Represents RRSP contributions for key personnels (non C-suite).
- 6 Union payroll is paid weekly and one week in arrears. Source deductions are remitted in the week following payroll. Week 1 payroll and Week 2 source deductions relate to pre-filing obligations.
- 7 Week 2 amount represents catch-up payment for union obligation for March 2025 (pre-filing), majority of the amount relates to union pension contribution.
- 8 Represents third-party labour costs outsourced for specific active projects, paid weekly.
- 9 Represents fees for consultants in key management roles.
- 10 Represents debt servicing on capital and equipment leases.
- 11 Periodic repayment of the BMO Mastercard used for operating expenses.
- 12 Represents payments for network and utility charges essential to the Companies' head office operations.
- 13 Trade vendor payments required to continue active projects, which may contain vendor deposits or remobilization costs.
- 14 Represents the Companies' budgeted general and administrative ("G&A") expenses to maintain basic administrative functions.
- 15 Costs of the Monitor and its counsel, the Companies' counsel, Companies' chief restructuring officer, and DIP Lender fees.
- 16 Contingency of \$25,000 per week is assumed to cover unanticipated costs.

Earth Boring Co. Limited, Yarbridge Holdings Inc., Trolan Investments Ltd., and Yarfield Services Ltd. (the "Companies" or the "Applicants")

Combined Cash Flow Forecast for the Period

April 17, 2025 to July 4, 2025

(\$ CAD)

Week #		1	2	3	4	5	6	7	8	9	10	11	12	Total
Week Ending		2025-04-18	2025-04-25	2025-05-02	2025-05-09	2025-05-16	2025-05-23	2025-05-30	2025-06-06	2025-06-13	2025-06-20	2025-06-27	2025-07-04	
Receipts	Notes													
Regular Billing	1	34,740	1,285,471	1,112,723	92,358	-	-	743,704	2,154,437	-	321,032	970,826	1,768,750	8,484,041
Holdback Receipts	2	-	-	-	-	-	-	-	-	-	595,505	-	-	595,505
Other Deposit	3	-	-	-	-	154,770	-	-	-	-	-	-	-	154,770
Old Job Collections	4	15,000	50,000	50,000	-	-	-	-	-	-	-	-	-	115,000
Total Receipts		49,740	1,335,471	1,162,723	92,358	154,770	-	743,704	2,154,437	-	916,537	970,826	1,768,750	9,349,316
Disbursements														
Payroll - Admin	5	67,686	-	67,000	-	60,000	-	60,000	-	60,000	-	60,000	-	374,686
Source Deductions - Admin	5	1,290	52,000	-	48,000	-	46,000	-	46,000	-	46,000	-	46,000	285,290
Benefits, RRSPs, Health Tax - Admin	6	-	50,050	58,050	-	-	-	-	7,000	-	-	23,692	7,000	145,792
Payroll - Union	7	86,937	86,000	66,073	68,962	68,962	68,962	68,962	68,962	79,215	79,215	79,215	79,215	900,680
Union Obligations	8	-	248,379	-	-	162,642	-	-	-	-	169,752	-	-	580,774
Source Deductions - Union	7	51,324	56,304	53,000	35,578	37,133	37,133	37,133	37,133	37,133	42,654	42,654	42,654	509,835
Third Party Labour	9	-	24,007	24,007	396	396	396	396	396	-	-	-	-	49,994
Benefits, RRSPs, Health Tax - Union	6	21,980	-	13,929	-	17,000	-	20,000	-	-	20,000	25,000	-	117,909
Consultants	10	-	25,814	25,814	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	19,063	223,191
Rent Payments	11	-	-	11,500	-	-	-	-	11,500	-	-	-	-	34,500
Mortgage Payments	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Servicing	13	-	35,025	49,533	207,728	45,379	35,025	49,533	205,455	2,273	57,136	25,806	252,448	965,339
BMO Mastercard	14	250,000	250,000	-	-	-	250,000	-	-	-	-	250,000	-	1,000,000
Insurance	15	-	-	84,506	-	1,438	-	84,506	-	-	1,438	-	84,506	256,395
CRA & CBSA Payments	16	-	-	605,000	-	-	-	30,000	-	-	-	-	30,000	665,000
Utilities/Network charges/Other	17	-	6,333	15,669	11,443	3,345	4,185	11,030	3,000	14,400	3,345	4,185	14,030	90,964
Vendor Payments	18	876,461	876,461	254,040	254,040	254,040	254,040	254,040	265,361	265,361	265,361	265,361	225,460	4,310,027
G&A Spend	19	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Professional and Restructuring	20	282,500	100,000	260,000	100,000	255,000	-	210,000	-	210,000	120,000	210,000	-	1,747,500
DIP Interest	21	-	-	7,860	-	-	-	-	32,094	-	-	-	33,570	73,524
Contingency	22	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Total Disbursements		1,688,178	1,860,373	1,645,982	795,208	974,397	764,803	894,663	745,964	737,445	873,965	1,054,977	895,446	12,931,401
Opening Balance		-	(1,638,438)	(2,163,339)	(2,646,598)	(3,349,449)	(4,169,076)	(4,933,879)	(5,084,838)	(3,676,364)	(4,413,810)	(4,371,238)	(4,455,388)	-
Net Cash Inflow/(Outflow)		(1,638,438)	(524,902)	(483,259)	(702,851)	(819,627)	(764,803)	(150,959)	1,408,473	(737,445)	42,572	(84,151)	873,303	(3,582,085)
Surplus/(Deficit)		(1,638,438)	(2,163,339)	(2,646,598)	(3,349,449)	(4,169,076)	(4,933,879)	(5,084,838)	(3,676,364)	(4,413,810)	(4,371,238)	(4,455,388)	(3,582,085)	(3,582,085)
Restricted Cash	2	58,489	-	-	-	-	-	-	-	-	4,580,805	-	-	4,639,293

Earth Boring Co. Limited, Yarbridge Holdings Inc., Trolan Investments Ltd., and Yarfield Services Ltd. (the "Companies" or the "Applicants")

12-Week Cash Flow Forecast for the Period

April 17, 2025 to July 4, 2025

(\$ CAD)

Notes to the Unaudited 12-Week Cash Flow Forecast of the Applicants

In preparing this cash flow forecast (the "12-Week Cash Flow Forecast") the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The 12-Week Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the 12-Week Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the 12-Week Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Overview

The 12-Week Cash Flow Forecast includes the receipts and disbursements of all of the Applicants during the 12-Week Cash Flow Forecast period. The Applicants, with the assistance of BDO Canada Limited in its capacity as the monitor of the Applicants (the "Monitor") have prepared the 12-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings.

Assumptions:

- 0 The 12-Week Cash Flow Forecast assumes the Companies continue only with projects expected to generate positive margin/cash flow. Unprofitable projects are assumed to be excluded from ongoing operations and funding.
- 1 Represents progress billings on active construction projects.
- 2 Holdback receipts related to completed projects. All holdback receipt has been treated as restricted cash, pending priority determination. In week 10, the ~\$600K HST portion of a \$5.2M holdback was remitted to Canada Revenue Agency ("CRA") in week 3, and is recognized as a receipt rather than restricted cash.
- 3 Includes a \$155K Workplace Safety and Insurance Board rebate in Week 5.
- 4 Reflects collection efforts on aged accounts receivable.
- 5 Admin payroll is paid biweekly and expected to decline as unprofitable projects are wound down. Source deductions are remitted one week after payroll. Week 1 admin payroll and week 2 source deduction are related to pre-filing wages.
- 6 Represents payments for employee benefits, employer health tax, and RRSP contributions for key personnels (non C-suite).
- 7 Union payroll is paid weekly and one week in arrears. Source deductions are remitted in the week following payroll. Week 1 payroll and Week 2 source deductions relate to pre-filing obligations.
- 8 Week 2 amount represents catch-up payment for union obligation for March 2025 (pre-filing), majority of the amount relates to union pension contribution.
- 9 Represents third-party labour costs outsourced for specific active projects, paid weekly.
- 10 Represents fees for consultants in key management roles. Payments are expected to decrease in May as the Companies scale down unprofitable projects.
- 11 Represents rent payments for the Companies' leased office premise at 1775 N Sheridan Way, Mississauga, ON L5K 1A2.
- 12 No mortgage payments are made during this period to BDC.
- 13 Represents debt servicing on capital and equipment leases.
- 14 Periodic repayment of the BMO Mastercard used for operating expenses.
- 15 Represents monthly payments for insurance policies essential to the Companies' operations.
- 16 Represents estimated monthly CRA HST remittances and payments to the Canada Border Services Agency ("CBSA"). Week 3 includes a ~\$600K HST remittance related to the ~\$5.2M holdback to be received in week 10.
- 17 Represents payments for network and utility charges essential to the Companies' head office operations.
- 18 Trade vendor payments required to continue active projects, which may contain vendor deposits or mobilization costs.
- 19 Represents the Companies' budgeted general and administrative ("G&A") expenses to maintain basic administrative functions.
- 20 Costs of the Monitor and its counsel, the Companies' counsel, Companies' chief restructuring officer, and DIP Lender fees.
- 21 Interest and fees related to DIP financing facility.
- 22 Contingency of \$25,000 per week is assumed to cover unanticipated costs.

ENGAGEMENT AGREEMENT

(the "Agreement")

BY AND BETWEEN: **Earth Boring Co. Limited ("EB or the Applicants")**

AND: **Earth Boring Co. Limited., Yarbridge Holdings Inc. and Troland Investments Ltd. ("Earth Indemnity Parties")**

AND: **Steinberg Advisory Corp. ("SAC")**

RECITALS:

A. Pursuant to an initial order granted by the Ontario Superior Court of Justice (Commercial List) (the "**Initial Order**"), EB and its subsidiaries (collectively, the "**Applicants**") have commenced proceedings under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to effect a financial and operational restructuring as well as a Sale and Investor Solicitation Process (the "**SISP**").

B. EB wishes to retain the Services of SAC as set out and defined below in section 2(f) herein. EB and SAC have agreed that SAC will act as Chief Restructuring Officer ("**CRO**") and will perform the Services, reporting to EB. Howard Steinberg and Adam Marcus ("**Advisors**") will be the primary persons providing the Services for SAC.

NOW THEREFORE in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. **TERM.** The term of this Agreement shall commence on the date that the CCAA court grants an order approving this Agreement (the "**CRO Approval Order**") (the "**Effective Date**") and continue until the earlier of: a) a termination in accordance with the terms of this Agreement; and b) EB entering into a transaction or series of transactions that results in an exit from **CCAA**.

2. **DUTIES.**

- a) **General.** SAC shall provide the Services to EB in connection with the implementation of the Operational Restructuring (as hereinafter defined) in the best interests of all the EB, as set out in this Agreement.
- b) **Appointment.** Subject to receipt of the CRO Approval Order, SAC agrees to its engagement as CRO. SAC shall cause Advisors to devote working time, skills and competence as circumstances require to the role of CRO and to effect the Operational Restructuring, as defined below. EB acknowledges and agrees that SAC, and Advisors may engage in other commitments and business activities (including outside directorships) during the term of this engagement, provided that such activities do not interfere with the effective performance of the Services of SAC and Advisors hereunder.
- c) **Reporting relationships.** SAC shall report to the EB and/or Monitor, and shall consult with EB's legal advisors, BDO Canada Limited ("**BDO**") in its capacity as the court-appointed monitor of EB (the "**Monitor**").

- 2 -

- d) **Staffing.** The Services will be provided by Advisors and other consultants and/or advisors employed or engaged by SAC (the "**Consultants**") as SAC may determine is appropriate and the EB may agree in consultation with the Monitor. The Consultants' mandate will focus on operational improvement matters, assisting in the refinancing and or sale of real property including but not limited to buildings, land, equipment and vehicles, and to develop a restructuring plan.
- e) **Standard of Performance.** SAC shall provide the Services, including all ancillary services, in good faith. SAC shall ensure that the Services are performed diligently and in accordance with professional standards of an appointment of this nature. In carrying out the Services, SAC agree that they and the Consultants shall at all time act in a manner which is in the best interests of the EB and in furtherance of the Operational Restructuring.
- **Specific Duties.** In connection with restructuring initiatives focused on improving operations, and improving profitability (the "**Operational Restructuring**"), SAC shall provide the following services (collectively, the "**Services**"), in each case, in accordance with this Agreement, subject to all orders of the CCAA Court. The powers of SAC expressly include authority, to the extent determined by SAC from time to time, for management and control of any sites or facilities which any member of the EB operates and for any other operating activities of the EB. The Services shall include without limitation:
 - Developing and implementing an Operational Restructuring of EB as appropriate;
 - evaluating and implementing the sale of EB's excess assets;
 - assisting in negotiations and discussions with surety providers;
 - communicating with the EB's lenders, creditors, surety and other stakeholders as appropriate; and
 - assisting with the preparation of all filings, applications or similar materials necessary or desirable for any regulatory approvals in connection with the CCAA proceedings.

3. **CONSIDERATION FOR CONSULTING SERVICES.**

Subject to receipt of the CRO Approval Order, EB shall provide the following consideration to SAC for Services rendered hereunder:

- a) **Monthly Fees.** CAD\$75,000 (+ \$20,000 per rate premium, the "**Monthly Rate Premium**"), plus applicable taxes including HST, payable monthly in advance (the "**Monthly Fees**") commencing on the Effective Date. The Monthly Fee for the first month will be pro-rated. If you can demonstrate that SG&A "pre-filing" payrolls have been decreased by at least \$20k per month (numbers are substantiated by the Monitor, and payable the following month) the Monthly Rate Premium is earned.
- b) **Success Fee.** In the event that the EB consummates a transaction in a SISF that SAC runs which provides for proceeds that are less than or equal to C\$30,000,000 ("**Successful Transaction**"), SAC shall receive a 1.5% of any amounts of \$30,000,000 and under (with a minimum fee equal to C\$250,000), plus 3% of any amounts over \$30,000,000 payable on closing (Success Fee).

- c) **Expenses.** EB shall reimburse SAC for all reasonable documented out-of-pocket expenses incurred by it (including any applicable taxes) in connection with the Services (the "**Expenses**") upon submission of invoices therefor. In addition to the Monthly Fees, SAC shall submit an invoice for the Expenses plus applicable taxes within one (1) month of the Expenses having been incurred. The reimbursable Expenses shall include legal fees incurred by SAC in connection with the negotiation and performance of this Agreement (capped at \$5k per month without approval of the Monitor).
4. **Consultant Fees.** EB agrees, subject to approval in advance by the Monitor, to pay for all reasonable fees and reasonable out-of-pocket expenses associated with the Consultants within (1) month of such fees or expenses having been incurred. The work to be performed by the Consultants shall not be duplicative of that performed by Steinberg or other employees of SAC. The need for and use of the Consultants shall be reviewed by the Monitor and EB on a periodic basis.
5. **Information.** EB represents and warrants to SAC, and will use its commercially reasonable efforts to ensure, that all information to be provided to SAC, directly or indirectly, orally or in writing, in connection with SAC's engagement hereunder will be accurate and complete in all material respects and will not be misleading in any material way and will not omit to state any fact or information which might reasonably be considered material to SAC in performing the Services. SAC shall be entitled to rely upon such information and SAC shall be under no obligation to verify independently any such information so provided or otherwise obtained by SAC. SAC shall also be under no obligation to investigate any changes in any of such information occurring after the date it was provided to or obtained by SAC. SAC shall identify and require from the EB all information it needs to provide the Services.
6. **Additional Services.** If SAC is requested to perform services in addition to those described herein, then the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services will be in addition to fees payable hereunder and will be negotiated separately and in good faith.
7. **COURT APPROVAL AND SECURITY FOR INDEMNITY AND FEES.** EB shall seek CCAA court ("Court") approval of this Agreement pursuant to the ARIO, in form and substance reasonably satisfactory to SAC. The ARIO shall:
- a) Provide that none of SAC, Steinberg, the Consultants or any other person providing the Services shall incur any liability or obligation as a result of the provision the Services except as may result from gross negligence or willful misconduct of such person;
 - b) Provide that SAC, Steinberg, the Consultants and any other person providing the Services shall enjoy the benefit of the stay of proceedings granted pursuant to the Initial Order;
 - c) Provide that the Monthly Fees, and the Expenses payable to SAC hereunder are entitled to the benefit of the Administration Charge (as defined in the Initial Order, as may be amended, ranking pari passu with the fees and disbursements of the Monitor, legal counsel and other advisers entitled to the benefit thereof).
 - d) Success fee charge to be approved at time of the SISF Order.
 - e) Provide that the claims of SAC, Steinberg, and any other person providing the Services to the EB are not claims which may be compromised within the CCAA proceedings.

8. **TERMINATION.** Either party may terminate this Agreement at any time upon at least 30 days' prior written notice to the other, but in the case of EB only following approval by the Shareholder's after consultation with and approval by with the Monitor of the EB. SAC shall be entitled to receive any pro-rated Monthly Fees and reimbursement of all Expenses up to the effective termination date. The obligation of EB to pay the Success Fee shall survive termination of this Agreement in accordance with this Section 8. The Indemnity shall not be affected by the termination of this Agreement.
9. **CONFIDENTIALITY.** SAC recognizes that the Services to be performed by it hereunder are special, unique and extraordinary in that, by reason of the Services it shall provide hereunder, it will acquire Confidential Information and trade secrets concerning the operation of EB, the use or disclosure of which could cause the EB, substantial losses and damages which could not be readily calculated and for which no remedy at law would be adequate. Accordingly, SAC covenants and agrees with EB on behalf of itself and its officers, directors and employees, including Steinberg, that it and they will not at any time, except as required by law or with the prior written consent of EB or to a party bound by a confidentiality agreement if required in connection with the provision by SAC of the Services hereunder, directly or indirectly, either disclose to any person, or use for their personal benefit, any secret or Confidential Information that they may learn or have learned by reason of SAC's association with EB. SAC and its representatives shall use the Confidential Information for the sole purpose of rendering the Services. The term "**Confidential Information**" means any information not previously disclosed or otherwise available to the public including but not limited to, the EB's products and services, facilities and methods, trade secrets and other intellectual property, systems, procedures, manuals, confidential reports, product price lists, customer lists, financial information, business plans, prospects or opportunities, and non-public information obtained by SAC from its partners, suppliers and clients. Confidential Information shall also include, without limitation, all reports prepared by SAC and its representatives for EB (which reports shall be the sole property of the EB), notes, analyses, compilations, studies, summaries and other materials prepared by SAC, its representatives or Steinberg, containing or based, in whole or in part, on Confidential Information. If any such Confidential Information is disclosed or otherwise made available to the public (other than by way of a breach of this covenant by SAC) from a source not bound by a confidentiality agreement or under another legal or fiduciary obligation of confidentiality to EB, its clients, suppliers or partners, it shall no longer be subject to the covenant set out in this paragraph 8.

In the event that SAC or any of its representatives, by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena or other similar processes, are requested or become legally compelled to disclose any of the Confidential Information, SAC agrees that it or its representatives, or both, as the case may be, will provide EB with prompt written notice of such request or requirement so that EB may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained or EB grants a waiver hereunder, SAC or its representatives, as the case may be, who are requested to disclose the Confidential Information may furnish that portion of the information which, in the written opinion of counsel reasonably acceptable to EB, it is legally compelled to disclose; provided, however, that SAC or its representatives requested to disclose the Confidential Information shall use their best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information so disclosed.

Upon EB's request, for any reason, SAC and its representatives will promptly deliver to EB all documents and other materials (and all copies and extracts thereof) constituting Confidential Information without retaining a copy of extract thereof; provided, however, that SAC may retain copies of the Confidential Information (a) that is stored on SAC's information technology backup and disaster recovery systems until the ordinary course deletion thereof, (b) that is maintained for compliance purposes, or (c) to the extent required to defend or maintain any litigation relating to this Agreement or the Confidential Information. If EB requests or gives its prior written consent, SAC or its representatives shall destroy all documents or other documents or other materials

constituting Confidential Information in their possession, including in electronic form, (subject to the exception in the preceding sentence) with any such destruction confirmed by them in writing to EB. Whether or not there is a return or destruction of the Confidential Information, SAC and its representatives will continue to be bound by their obligations of confidentiality and other obligations hereunder.

10. **INDEMNITY**

a) **Indemnity.** EB hereby agrees to provide SAC, the Consultants and Steinberg with an Indemnity, in accordance with Schedule A hereto, which Schedule A forms part of this Agreement, the consideration for which is the entering into of this Agreement (the "Indemnity").

11. **GENERAL PROVISIONS**

a) **Independent Contractor.** Nothing contained in this Agreement shall be construed as creating a relationship between EB on the one hand, and SAC and Steinberg on the other hand, other than that of an independent contractor. SAC and any of its employees, agents or representatives, including Steinberg, shall not be deemed a partner, employee, joint venture or agent of EB by virtue of this Agreement. EB shall not be responsible for any employee deductions or contributions which an employer would be required to effect if any of the SAC's employees, agents or representatives were EB's employees.

b) **Notices.** Any notice hereunder by either party to the other shall be given in writing by personal delivery, or certified mail, return receipt requested, or by facsimile transmission, in any case delivered to the applicable address set forth below:

(i) To Earth Boring Co. Limited:

1775 North Sheridan Way
Mississauga, ON
L5K 1A2

Attention: Gene Woodbridge
Tel: (416) 717-2452
Email: gene@earthboring.ca

(ii) To SAC:

Steinberg Advisory
Corp.

4482 Hayes Road
Kelowna, BC
V1W5A7

Attention: Howard Steinberg
Tel: (778) 363-9925
Email: howard@steinbergadvisory.ca

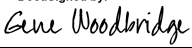
Attention: Adam Marcus
Tel: (647) 293-6863
Email: adam@steinbergadvisory.ca

or to such other persons or other addresses as either party may specify to the other in writing.

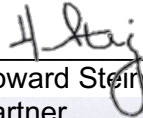
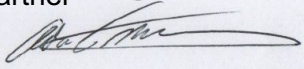
- c) **Amendment; Waiver.** No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the parties. No waiver by either party hereto, at any time, of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- d) **Assignment.** SAC may assign this Agreement or any of its rights and obligations hereunder to an entity in which SAC ownership structure remains the same with the consent of EB and the Monitor. EB may assign this Agreement or any of its rights and obligations hereunder upon the written approval of SAC and the Monitor prior to doing so. Any unapproved assignment made in contravention of this section shall be null and void and have no legal effect.
- e) **Severability.** The parties have carefully reviewed the provisions of this Agreement and agree that they are fair and equitable. However, in light of the possibility of differing interpretations of law and changes in circumstances, the parties agree that if any one or more of the provisions of this Agreement shall be determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall, to the extent permitted by law, remain in full force and effect and shall in no way be affected, impaired or invalidated. Moreover, if any of the provisions contained in this Agreement is determined by a court of competent jurisdiction to be excessively broad as to duration, activity, geographic application or subject, such provision shall be construed, by limiting or reducing it to the extent legally permitted, so as to be enforceable to the extent compatible with then applicable law.
- f) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal law of Canada applicable therein.
- g) **Entire Agreement.** This Agreement contains the entire agreement of EB, SAC, and Steinberg and any predecessors or affiliates thereof with respect to the subject matter hereof, and supersedes all prior agreements, understandings and arrangements, oral and written between the parties either jointly or individually, with respect to the subject matter hereof.
- h) **Survival.** The following provisions will survive the termination of this Agreement: Sections 3,4,5,8,9,10, and 11.
- i) **Counterparts.** This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but both such counterparts shall together constitute one and the same document.
- j) **Headings.** The headings of this Agreement are for convenience and reference only and shall not be considered in construing the provisions hereof.
- k) **Currency.** All financial references in this Agreement are to Canadian dollars unless otherwise indicated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this x day of April, 2025.

EARTH BORING CO. LIMITED

DocuSigned by:

Name: Gene Woodbridge
Title: CEO

STEINBERG ADVISORY CORP.


Name: Howard Steinberg
Title: Partner

Name: Adam Marcus
Title: Partner

APPENDIX "A" INDEMNITY PROVISIONS

1. Earth, Yarbridge Holdings Inc., and Trolan Investments Ltd. ("**Earth Indemnity Parties**") agree to indemnify and hold harmless each of SAC, its affiliates and their respective shareholders, consultants, managers, members, employees, agents, representatives and subcontractors (each, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") against any and all losses, claims, damages, liabilities, penalties, obligations, disbursements and expenses, including the reasonable, documented costs (fees and disbursements) for counsel or others (including employees of SAC, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the agreement to which this Indemnity is attached as Appendix "A" (the "**Agreement**") (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or non-performance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted from such Indemnified Party's gross negligence or willful misconduct. **Earth Indemnity Parties** also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to **Earth Indemnity Parties** for or in connection with the engagement of SAC, except to the extent any such liability for losses, claims, damages, liabilities or expenses are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted from such Indemnified Party's gross negligence or willful misconduct. **Earth Indemnity Parties** further agree that they will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.
2. These indemnification provisions shall be in addition to any liability which **Earth Indemnity Parties** may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the Agreement, as a result of or in connection with the Agreement or SAC's and its personnel's role under the Agreement, SAC or any Indemnified Party is required to produce any of its personnel (including former employees) or for examination, discovery, deposition or other written, recorded or oral presentation, or SAC or any of its personnel (including former employees) or any other Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant to a subpoena or other legal (including administrative) process, **Earth Indemnity Parties** will reimburse the Indemnified Party for its out of pocket expenses, including the reasonable, documented fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.
3. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify **Earth Indemnity Parties** with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify **Earth Indemnity Parties** will not relieve **Earth Indemnity Parties** from their obligations hereunder. **Earth Indemnity Parties** shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding or investigation or otherwise. Each Indemnified Party hereby

undertakes, and **Earth Indemnity Parties** hereby accept its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against **Earth Indemnity Parties**, **Earth Indemnity Parties** may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents **Earth Indemnity Parties**, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and **Earth Indemnity Parties**, such counsel is unable to represent both the Indemnified Party and **Earth Indemnity Parties**, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and **Earth Indemnity Parties** shall promptly advance its expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. **Earth Indemnity Parties** will be liable for any settlement of any claim against an Indemnified Party made with **Earth Indemnity Parties** written consent, which consent shall not be unreasonably withheld.

4. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of **Earth Indemnity Parties**, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.
5. In the event **Earth Indemnity Parties** and SAC seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either of which SAC would continue to be engaged by **Earth Indemnity Parties**, **Earth Indemnity Parties** shall promptly pay expenses reasonably incurred by the Indemnified Parties, including the reasonable, documented fees and expenses of counsel, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. **Earth Indemnity Parties** will also promptly pay the Indemnified Parties for any expenses reasonably incurred by them, including the reasonable, documented fees and expenses of counsel, in seeking payment of all amounts owed to it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a post-petition claim.
6. Neither termination of the Agreement nor the filing of a petition or application under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) (nor the conversion of an existing case to a different form of proceeding, including a receivership) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.

7. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or by-laws of **Earth Indemnity Parties**, any policy of insurance, any other agreements, any vote of shareholders or disinterested directors of **Earth Indemnity Parties**, any applicable law or otherwise.

DIP FACILITY TERM SHEET

This term sheet dated April 16, 2025 (this “**Term Sheet**”) sets out the terms on which Bank of Montreal is prepared to provide debtor-in-possession financing to Earth Boring Co. Limited.

WHEREAS Earth Boring Co. Limited, Trolan Investments Ltd., Yarbridge Holdings Inc. and Yarfield Services Limited (collectively, the “**Applicants**”) intend to commence insolvency proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA Proceedings**”) under the jurisdiction of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”);

WHEREAS the Borrower has requested that Bank of Montreal (the “**DIP Lender**”) provide it with the DIP Facility (as defined herein) to fund restructuring efforts pursuant to a debtor-in-possession financing in the context of the CCAA Proceedings;

AND WHEREAS the DIP Lender has offered to provide interim financing by way of the DIP Facility described in this Term Sheet and subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts are expressed in the Currency of Canadian dollars (“**CAD**”). All times express herein refer to Eastern Time (Toronto).

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

DEFINITIONS	Capitalized terms used but not otherwise defined herein shall have the meanings given to them on Schedule “A” hereto
BORROWER	Earth Boring Co. Limited (“ Borrower ”)
GUARANTORS	Trolan Investments Ltd. Yarbridge Holdings Inc. Yarfield Services Limited (together with the Borrower, the “ Credit Parties ”)
DIP LENDER	Bank of Montreal
CURRENCY	Unless otherwise noted, the currency of the DIP Facility (as defined herein) shall be CAD
DIP FACILITY	Subject to Court approval, a senior secured, super-priority, debtor-in-possession, interim revolving credit facility in the maximum principal amount of \$5,500,000 (the “ Maximum Amount ”) plus fees and Interest, subject to the terms and conditions contained herein (the “ DIP Facility ”)
CLOSING DATE	No later than 2 Business Day after Court approval of this Term Sheet
DIP BUDGET	By no later than April 16, 2025, the Borrower and the CRO, in consultation with the Monitor, shall deliver a rolling 13-week cash flow, in form and substance satisfactory to the Monitor and the DIP Lender, in its sole discretion, which shall cover the Stay Period (as defined in the Amended and Restated Initial Order, to be sought by the Applicants) (the “ DIP Budget ”). Such DIP Budget shall be the DIP Budget referenced in this Term Sheet unless and until such time as an Updated DIP Budget (as

	<p>defined below) has been approved by the DIP Lender in accordance with this Section.</p> <p>On a monthly basis, or at the written request of the DIP Lender (including by email), or upon a material change, or a material change reasonably anticipated by the Borrower and the CRO in consultation with the Monitor, to any item set forth in the DIP Budget, or upon the Applicants seeking an extension of the Stay Period, the Borrower shall update and propose a revised DIP Budget to the DIP Lender, in form and substance satisfactory to the DIP Lender in its sole discretion (the “Updated DIP Budget”).</p> <p>The DIP Lender may make such request at any time and from time to time, and if such request is made, the Borrower shall submit the Updated DIP Budget no later than four (4) Business Days following receipt of the request. Any Updated DIP Budget shall have been reviewed and approved by the Monitor, prior to submission to the DIP Lender. If the DIP Lender, in its sole discretion, determines that the Updated DIP Budget is not acceptable, it shall, within two (2) Business Days of receipt thereof, provide written notice (which may be provided by email) to the Borrower and the Monitor stating that the Updated DIP Budget is not acceptable and setting out the reasons why such Updated DIP Budget is not acceptable, and until the Borrower has delivered a revised Updated DIP Budget acceptable to the DIP Lender, in its sole discretion, the prior DIP Budget shall remain in effect and be the DIP Budget for the purpose of this Term Sheet.</p> <p>Upon an Updated DIP Budget being accepted by the DIP Lender, such Updated DIP Budget shall be deemed to be the DIP Budget for the purpose of this Term Sheet.</p> <p>Commencing in the week beginning April 28, 2025, no later than 5:00 p.m. on the Wednesday of every week (provided that such day is a Business Day and, if not, on the next Business Day) the Borrower and the CRO, in consultation with the Monitor, shall deliver to the DIP Lender a variance calculation setting forth actual receipts and disbursements of the Borrower for actual cumulative receipts and actual cumulative disbursements for each line item in the DIP Budget, or to the Updated DIP Budget, if applicable, in each case, comparing the actual receipts and disbursements against DIP Budget, or to the Updated DIP Budget, as applicable, on a line by line basis. The Monitor shall provide an accompanying explanation to the DIP Lender should there be a variance on a line by line basis between the forecasted and actual amounts for the receipts and disbursements in excess of \$20,000.</p>
<p>DIP FACILITY ADVANCES</p>	<p>The DIP Facility shall be made available to the Borrower in multiple advances, as per the below, until the Maturity Date (as defined herein) in accordance with the then applicable DIP Budget approved by the DIP Lender in its sole discretion, from time to time, subject to duly issued orders of the Court.</p>

	<p>(a) an initial advance (the “Initial Advance”) up to a principal amount of \$2,200,000, made upon satisfactions of the Initial Advance Conditions set out below; and</p> <p>(b) subsequent advances (each a “Subsequent Advance” together with the Initial Advance, the “DIP Advances”) at the request of the Borrower, subject to satisfaction of the Subsequent Advance Conditions at the time of each such advance, provided, however, that the aggregate sum of the Initial Advance and the Subsequent Advance shall not exceed the maximum principal amount of the DIP Facility. The timing for each Subsequent Advance shall be determined based on the funding needs of the Borrower, subject to the DIP Lender’s consent acting in its sole discretion.</p> <p>The Borrower and the CRO, in consultation with the Monitor, may request Subsequent Advances under the DIP Facility by delivering to the DIP Lender a draw request in writing, as approved by the Monitor, not less than three (3) Business Days prior to the Subsequent Advance.</p> <p>Notwithstanding the foregoing, the DIP Lender may issue any advance outside of, or ancillary to, the procedures above at its sole discretion.</p> <p>Nothing in this Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the DIP Lender is satisfied in its sole discretion, acting reasonably, that the Borrower is in compliance with the conditions precedent and obligations listed within this Term Sheet and that no fact exists or event has occurred which materially changes the manner in which the DIP Lender previously evaluated the risks inherent in advancing any DIP Advance to the Borrower under the DIP Facility, whether or not the DIP Lender was or should have been aware of such facts or events differently at any time.</p>
ACCOUNT	<p>All DIP Advances shall be deposited into an account acceptable to the Borrower, the Monitor and the DIP Lenders and withdrawn to pay contemplated expenses under the then applicable DIP Budget and otherwise in accordance with the terms hereof.</p>
MANDATORY PREPAYMENTS PRIOR TO MATURITY DATE	<p>Unless the DIP Lender provides its written consent otherwise, and subject only to the Administration Charge, the Borrower shall prepay amounts outstanding under the DIP Facility, with 100% of each of the following amounts:</p> <p>a) insurance proceeds or expropriation awards received by a Borrower, unless in the case of insurance proceeds, and subject to no Event of Default having occurred and continuing, such proceeds are used to repair or replace the borrower’s property in respect of which the insurance proceeds are paid within a reasonable period of time, and in any event, no later than one hundred and twenty (120) days after the occurrence for which such insurance proceeds are paid, such that the property is</p>

	<p>returned to as good or better condition than it was in before the event occurred that caused the insurance proceeds to be paid;</p> <ul style="list-style-type: none"> b) unless otherwise consented to in writing by the DIP Lender, in its sole discretion, any extraordinary payment received by a Borrower; c) the net cash proceeds from the sale of any equity interests in a Borrower or its subsidiary or the receipt of capital contributions by a Borrower or its subsidiary; and d) the balance of any contract funds received on an ongoing basis (e.g. progress payments, statutory, deficiency and warranty holdback, and substantial completion and final completion payments) after payment, on a per project basis, of any amounts due in respect of work done or materials supplied after the date of the Initial Order, subject to the retention of any statutory, or, if applicable, contractual holdback, subject in each case to the DIP Lender’s Charge (as defined herein). <p>On any day that amounts outstanding under the DIP Facility exceed the Maximum Amount then, not later than the next Business Day, the Borrower shall prepay the Obligations (as defined herein) so that amounts outstanding under the DIP Facility no longer exceed the Maximum Amount.</p> <p>Any mandatory prepayment made hereunder shall not permanently reduce the Maximum Amount and may be re-borrowed if the Borrower is otherwise entitled to a Subsequent Advance under the DIP Facility.</p>
<p>JOINT & SEVERAL LIABILITY</p>	<p>The Credit Parties each acknowledge and confirm that at the Borrower’s request, the DIP Facility has been made available to the Borrower and the Credit Parties are jointly and severally liable to the DIP Lender as primary obligors. All covenants, agreements and Obligations of the Borrower contained in this Term Sheet relating to or in connection with the DIP Facility shall be on a joint and several basis, and each of the Credit Parties shall be jointly and severally liable for and obligated to repay the DIP Facility. Such joint and several liability is independent of the duties and liabilities of each of the other Credit Parties. Each of the Credit Parties acknowledges and confirms that the DIP Lender is not bound to exhaust its recourse against any of the other Credit Parties before being entitled to demand for payment of all or any part of the DIP Facility from it. Each of the Credit Parties acknowledges and confirms that it is fully responsible for the DIP Facility even though it may not have requested a DIP Advance.</p> <p>Each of the Credit Parties’ liability for payment of the DIP Facility shall be a primary obligation, shall be absolute and unconditional, and shall constitute full recourse obligations of each of the Credit Parties, enforceable against each of them to the full extent of their respective assets and properties. Each of the Credit Parties expressly waives any right to require the DIP Lender to marshal assets in favour of any of the</p>

	<p>Credit Parties or any other person or to proceed against any of the other Credit Parties or any Collateral provided by any person or entity and agrees that the DIP Lender may proceed against any one of the Credit Parties or any Collateral in such order as they shall determine in their sole discretion. To the extent permitted by law, any release or discharge, by operation of law, of any one of the Credit Parties from the performance or observance of any obligation, covenant or agreement contained in this Term Sheet shall not diminish or impair the liability of any other Credit Parties in any respect. Each of the Credit Parties unconditionally and irrevocably waives each and every defense, right to discharge, compensation and setoff of any nature which, by statute or under principles of suretyship, guaranty or otherwise, would operate to impair or diminish in any way the obligation of any of the Credit Parties under this Term Sheet, and acknowledges that such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from each of the Credit Parties now or later granted in respect to this Term Sheet, and no such defense or setoff exists.</p> <p>Each of the Credit Parties waives any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from any other Credit Parties any amounts paid or the value of any security given by such Credit Party pursuant to this Term Sheet or otherwise until the Obligations and indebtedness hereunder are irrevocably paid in full in cash.</p>
<p>PROJECT REPORTING OBLIGATIONS</p>	<p>By no later than April 24, 2025, the Borrower and the CRO, in consultation with the Monitor, shall deliver a current project list breakdown, in form and substance satisfactory to the DIP Lender, in its sole discretion, which shall detail accounts payable (including any significant materials and supplies that have been ordered), holdback amounts, accounts receivable and any other information requested by the DIP Lender. (the “Project Breakdown”).</p> <p>The Borrower and the CRO, in consultation with the Monitor, shall deliver to the DIP Lender updates to the Project Breakdown on a monthly basis, at the request of the DIP Lender, or upon a material change, or a material change reasonably anticipated by the Borrower and the CRO in consultation with the Monitor.</p>
<p>PERMITTED PURPOSE AND PAYMENTS</p>	<p>The Initial Advance under the DIP Facility shall be used in accordance with the DIP Budget, which have been prepared by the Borrower and the CRO, in consultation with the Monitor. Any additional DIP Advances shall be used in accordance with the Updated DIP Budget, in each case, to fund working capital and general corporate needs of the Borrower during, and costs and expenses incurred by the Borrower in connection with, the CCAA Proceedings. For greater certainty, the Borrower shall use DIP Advances solely for the following purposes, provided that all such uses shall strictly conform to the approved DIP Budget or the Updated DIP Budget:</p> <p>(a) to pay the reasonable and documented professional and advisory</p>

	<p>fees and expenses (including legal fees and expenses) of (i) the Borrower; (ii) the Monitor; and (iii) the DIP Lender;</p> <ul style="list-style-type: none"> (b) to pay the reasonable and documented fees and expenses of the CRO; (c) to pay the Interest (as defined herein), fees and other amounts owing to the DIP Lender under this Term Sheet; (d) to fund the working capital needs of the Borrower in accordance with the approved DIP Budget or Updated DIP Budget; and (e) such other costs and expenses of the Borrower as may be agreed to by the DIP Lender, in writing. <p>The Borrower, with the consent of the Monitor and the DIP Lender, shall use only the Initial Advance to pay amounts for the Borrower’s payroll, unions dues, advisory fees, and amounts owing for goods or services actually supplied to the Borrower but only if such payment is necessary or desirable to avoid disruption to the operations of the business or the Property of the Borrower during the CCAA proceedings, provided that such amounts in the aggregate do not exceed \$1,000,000.</p> <p>No proceeds of the DIP Advances may be used for any purpose other than in accordance with the DIP Budget, except with the prior written consent of the DIP Lenders and the Monitor.</p>
<p>INITIAL ADVANCE CONDITIONS</p>	<p>The DIP Lender’s agreement to make the DIP Facility available to the Borrower and the advance of the Initial Advance to the Borrower is subject to the satisfaction of the following conditions precedent (collectively, the “Initial Advance Conditions”), in the DIP Lender’s sole discretion, each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:</p> <ul style="list-style-type: none"> (a) the Borrower shall have executed and delivered this Term Sheet, which shall be in full force and effect; (b) the Credit Parties, as applicable, shall have executed and delivered the Additional Security (as defined below), which shall all be in full force and effect; (c) the Borrower shall have provided the DIP Lender the DIP Budget in form and substance satisfactory to the DIP Lender, in its sole discretion; (d) the Court shall have issued an initial order in respect of the Borrower by April 18, 2025 (the “Initial Order”), which Initial Order shall be in form and substance satisfactory to the DIP Lender and the Monitor, and which Initial Order, shall among other things, include the approval of this Term Sheet and the establishment of the DIP Lender’s Charge with the priority contemplated herein;

	<ul style="list-style-type: none"> (e) the Court shall have issued a lien regularization order by April 18, 2025 (the “Lien Regularization Order”), which Lien Regularization Order shall be in form and substance satisfactory to the DIP Lender, and the Monitor; (f) there shall be no Liens ranking <i>pari passu</i> with or in priority to the DIP Lender’s Charge over the Collateral other than the Permitted Priority Liens; (g) BDO Canada Limited (in such capacity, the “Monitor”) will have been appointed as Monitor pursuant to the Initial Order, with such expanded powers as may be requested by the DIP Lender included in the Initial Order; (h) Steinberg Advisory Inc. will have been appointed as chief restructuring officer of the Applicants (in such capacity, the “CRO”) pursuant to the Initial Order and an engagement letter which shall be subject to the Monitor and DIP Lender’s approval; (i) no Default or Event of Default (terms as defined herein) shall have occurred or will occur as a result of the requested Initial Advance; (j) there will be no appeals, injunctions or other legal impediments relating to the DIP Facility, the DIP Lender’s Charge, the Additional Security or pending litigation seeking to restrain, effect the validity of, or prohibit any of the foregoing; and (k) the Initial Order shall not have been appealed, stayed, vacated or otherwise amended, restated or modified without the consent of the DIP Lender, in its sole discretion. <p>The amount of the Initial Advance, or such other lesser amount as may be approved by the Initial Order, will be made available to the Borrower by the DIP Lender to finance the Borrower’s working capital and operating requirements in accordance with the DIP Budget and the terms of this Term Sheet.</p>
<p>SUBSEQUENT ADVANCE CONDITIONS</p>	<p>The advance of any Subsequent Advance by the DIP Lender to the Borrower is subject to the satisfactions of the following conditions precedent (collectively, the “Subsequent Advance Conditions”), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:</p> <ul style="list-style-type: none"> (a) the ARIIO shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender; (b) the DIP Lender Charge shall form a first charge on the Applicants’ Property in priority to all security interests, trusts (including any trusts arising under the <i>Construction Act</i>), claims

	<p>for holdback, Liens, charges (including any court-ordered charges), encumbrances, statutory or otherwise, in favour of any person, subject only to the Administration Charge and the BDC Mortgage Charges;</p> <p>(c) for greater certainty, the DIP Lender Charge shall rank ahead of (i) any security provided by way of indemnity agreements granted by the Credit Parties in favour of Aviva Insurance or any other surety pursuant to any performance bond and payment bonds; and (ii) any subsequent security provided by the Credit Parties to Aviva Insurance or any other surety following issuance of the Amended and Restated Initial Order;</p> <p>(d) all amounts requested for a particular Subsequent Advance shall be consistent with the Updated DIP Budget for the applicable period, or otherwise expressly agreed by the DIP Lender in advance;</p> <p>(e) the terms and conditions of the SISP, if and when one is sought by the Borrower, including the milestones of such SISP, shall be approved by the Court, the form and substance of such order be satisfactory to the Monitor and the DIP Lender;</p> <p>(f) the representations and warranties contained herein shall be true and correct;</p> <p>(g) all Project Reporting Obligations shall continue to be satisfied;</p> <p>(h) all Initial Advance Conditions shall continue to be satisfied; and</p> <p>(i) no Default or Event of Default shall have occurred and be continuing.</p>
<p>DIP LENDER'S CHARGE</p>	<p>All Obligations, liabilities and indebtedness of the Borrower under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be secured by a Court-ordered DIP charge on all present and after-acquired personal and real, tangible or intangible property of the Borrower, in each case of any kind or nature whatsoever and whosoever situated (the “DIP Lender’s Charge”) without the need for any further loan or security documentation or any filings or registrations in any public register or system.</p> <p>The DIP Lender Charge shall form a first charge on the Borrower’s Property in priority to all security interests, trusts (including any trusts arising under the <i>Construction Act</i>), claims for holdback, Liens, charges (including any court-ordered charges), encumbrances, statutory or otherwise, in favour of any person, subject only to the Administration Charge the BDC Mortgage Charges.</p> <p>The DIP Lender’s Charge shall secure, without limitation, any amounts outstanding, under the DIP Facility, including any interest accrued, all fees and costs of the DIP Lender including its Legal Fees, the</p>

	<p>Commitment Fee, and any other amounts payable by the Borrower under this Agreement or in connection with the DIP Facility.</p> <p>The DIP Lender’s Charge will not secure any obligation owing to the DIP Lender that exists before the DIP Lender’s Charge is granted.</p>
<p>ADDITIONAL SECURITY</p>	<p>In addition to the DIP Lender’s Charge, in consideration of the covenants contained herein, the DIP Lender may request that the following shall be delivered to the DIP Lender, in form and substance satisfactory to the DIP Lender in its sole discretion, on or before April 25, 2025 (collectively, the “Additional Security”) as security for the Post-Filing Obligations owing by the Borrower:</p> <ul style="list-style-type: none"> (a) the registration of a charge/mortgage in a principal amount of \$5,500,000 registered against the real property municipally known as 75 Steelwell Road, Brampton, Ontario, and legally described in PIN 14028-0023 (LT) (the “Steelwell Property”), in favour of the DIP Lender as continuing collateral security for the Post-Filing Obligations (the “Steelwell Real Property Security”); (b) together with such certificates, non-disturbance agreements and other documentation as the DIP Lender may reasonably request in connection with the Steelwell Real Property Security; (c) the registration of a charge/mortgage in a principal amount of \$5,500,000 registered against the real property municipally known as 960 Zelco Drive, Burlington, Ontario, and legally described in PIN 07035-0005 (LT) (the “Zelco Property”), in favour of the DIP Lender as continuing collateral security for the Post-Filing Obligations (the “Zelco Real Property Security”); (d) together with such certificates, non-disturbance agreements and other documentation as the DIP Lender may reasonably request in connection with the Zelco Real Property Security; and (e) all such additional security instruments and agreements, including, at the option of the DIP Lender, title insurance, in connection with the Steelwell Real Property Security and the Zelco Real Property Security, in form and substance satisfactory to the DIP Lender, as the DIP Lender may reasonably request to ensure that (i) the Steelwell Property and the Zelco Property are continuing collateral security for the Post-Filing Obligations.
<p>COSTS, FEES AND EXPENSES</p>	<p>The Borrower will pay the DIP Lender a commitment fee equal to \$100,000 (the “Commitment Fee”), which shall be fully earned upon Court approval of this Term Sheet and shall be debited from the maximum principal amount of the DIP Facility on the Maturity Date. For certainty, the Commitment Fee shall be secured by the DIP Lender Charge.</p>

	In addition, the Borrower shall pay, on a bi-weekly basis, all reasonable and documented costs and expenses of the DIP Lender, including the Legal Fees.
STANDBY FEE	The Credit Parties have agreed to pay to the DIP Lender a standby fee equal to 0.25% of the unused portion of the DIP Facility, calculated daily and payable on the Maturity Date. The Standby Fee shall accrue Interest from and after the Maturity Date.
INTEREST RATE	<p>The Borrower shall pay interest (“Interest”) on the outstanding principal amount owing under the DIP Facility from the date that each DIP Advance is made both before and after maturity, demand, default, or judgment until payment in full at a rate equal to the Canadian Prime Rate then in effect at the Bank of Montreal plus 4.5% per annum, compounded and calculated monthly, which Interest shall accrue and be added to the principal amount of the DIP Advances on the first day of each month.</p> <p>All Interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.</p> <p>All payments under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deductions.</p> <p>If any provision hereof or the DIP Credit Documentation would obligate the Borrower to make any payment of Interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the DIP Lender of Interest at a criminal rate (as construed under the <i>Criminal Code</i> (Canada)) then, notwithstanding that provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the DIP Lender of interest at a criminal rate.</p>
EVIDENCE OF INDEBTEDNESS	The DIP Lender shall maintain records evidencing the DIP Advances. The DIP Lender’s accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Credit Parties to the DIP Lender pursuant to this Term Sheet.
REPRESENTATIONS AND WARRANTIES	<p>The Credit Parties represent and warrant to the DIP Lender, upon which the DIP Lender relies in entering into this Term Sheet and the other DIP Credit Documentation, that:</p> <ul style="list-style-type: none"> (a) the Credit Parties, to the extent applicable, are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, have all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, are qualified to do business in, and are in good standing in, every jurisdiction where such qualification is required; (b) the transactions contemplated by this Term Sheet, the Additional

Security and the other DIP Credit Documentation, including, for greater certainty, the granting of the Additional Security:

- a. upon the granting of either the Initial Order or the Amended and Restated Initial Order, are within the powers of the Credit Parties;
 - b. have been duly authorized, executed and delivered by or on behalf of the Credit Parties; and
 - c. upon the granting of either the Initial Order or the Amended and Restated Initial Order, constitute legal, valid and binding obligations of the Borrower enforceable against the Credit Parties; and
 - d. upon the granting of the Initial Order and the Amended and Restated Initial Order, as applicable, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Lender's Charge or any security granted pursuant to the DIP Credit Documentation.
- (c) the business operations of the Borrower has been and will continue to be conducted in material compliance with all Applicable Laws of each jurisdiction in which each such business has been or is being carried on;
- (d) the Borrower has obtained all material licenses and permits required for the operation of their business, which licenses and permits remain, and after the date of the Initial Advance will remain, in full force and effect. No proceedings have been commenced to revoke or amend any of such licenses or permits and no notices advising of a breach or potential breach of the conditions of such licenses has been received;
- (e) except as reflected in the DIP Budget and than those amounts the Borrower has made known to the DIP Lender to date, the Borrower has paid where due its obligations for payroll, employee source deductions, sales taxes, value added taxes and are not in arrears in respect of these obligations;
- (f) the Applicants do not have any defined benefit pension plans or similar plans other than the union multi-employer pension plan;
- (g) the execution, delivery and performance, as applicable, of this Term Sheet has been duly authorized by all actions, if any, required on the part and by the Credit Parties' directors and/or shareholders, and constitutes a legal, valid and binding obligation of the Credit Parties enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application that

	<p>limit the enforcement of creditors' rights generally and to general equitable principals subject to approval of the Court;</p> <p>(h) no Default or Event of Default has occurred and is continuing;</p> <p>(i) the DIP Budget represents the Borrower's best estimate as at each applicable date of the likely results of the operations of the Borrower during the period applicable thereto and, to the Borrower's knowledge, such results are achievable as provided therein; and</p> <p>(j) all factual information provided by or on behalf of the Credit Parties to the DIP Lenders for the purposes of or in connection with this Agreement and the DIP Credit Documentation is, to the best of the Credit Parties' knowledge, true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, and without limiting the generality of the foregoing, to the best of the Credit Parties' knowledge, all information regarding the Credit Parties' corporate structure is true and complete, and all public filings and financial reports are complete and true in all material respects as of the date thereof.</p>
<p>AFFIRMATIVE COVENANTS</p>	<p>The Borrower agrees to do, or cause to be done, the following until the DIP Facility are permanently and indefeasibly repaid in full:</p> <p>(a) comply with the DIP Budget, including making payments when scheduled to be made in accordance with the DIP Budget, and the reporting and other obligations to deliver financial information to the DIP Lender hereunder provided that, such reporting and financial information shall be prepared and delivered under the supervision of the Monitor and the CRO, and subject to the approval of the DIP Lender in its sole discretion;</p> <p>(b) use the proceeds of the DIP Facility only for the permitted purposes set out herein and in accordance with the DIP Budget;</p> <p>(c) not post any security, letters of credit or cash collateral to vacate any Liens or any other form of security held against the Borrower unless the DIP Lender has provided written consent;</p> <p>(d) ensure that any proceeds from the sale of any of the Borrower's equipment shall be held in trust by the Monitor pending order of the Court;</p> <p>(e) ensure that all cash received from time to time is deposited in accounts maintained with the DIP Lender (and not accounts maintained with any other financial institution);</p> <p>(f) not sell any of their assets outside of the ordinary course of</p>

business without the prior written consent of the DIP Lender or the approval of the Court;

- (g) allow the DIP Lender, its directors, officers, employees, agents, advisors and representatives full access to the Applicants' premises and all information and documentation of the Applicants and their Affiliates on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any such directors, officers, employees, agents, advisors and representatives;
- (h) comply with the provisions of the Court orders made in the CCAA Proceedings;
- (i) cooperate in all respects with the CRO and the Monitor, including providing financial and other information, assisting with the preparation of a teaser and confidential information memorandum, generating a list of potential interested parties, and participating in meetings with interested parties in connection with a SISP, if applicable, or otherwise;
- (j) promptly upon receipt thereof, provide the DIP Lender with copies of any offers to purchase, term sheets, expressions of interest to fund, invest or acquire, letters of intent, memorandums of understanding or purchase, investment or finance agreements received in connection with the Property;
- (k) any Court orders which are being sought by the Applicants in the CCAA Proceedings (together with draft copies of all supporting court materials including draft affidavits and other documents in connection with any application or motion to be brought to the Court by the Applicants) shall be shared with the DIP Lender at least four (4) Business Days prior to filing with the Court; provided that any Court order that directly impacts the DIP Lender shall be in form and substance satisfactory to the DIP Lender, acting reasonably, subject to any amendments that are required by the Court;
- (l) any Court orders sought which are being sought by the Applicants with respect to a SISP (together with draft copies of all supporting court materials including draft affidavits and other documents) shall be shared with the DIP Lender at least seven (7) Business Days prior to filing with the Court;
- (m) deliver to the DIP Lender periodic reporting packages and other information reasonably requested by the DIP Lender, within a reasonable time period after such requests are made;
- (n) deliver to the DIP Lender, on a monthly basis, within two (2) Business Days after the end of each calendar month: (i) bank statements of the Borrower, (ii) a cash reconciliation, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering the prior calendar month;

(iii) AR and AP aging reports; (iv) priority payables listing; operational project by project update (P&L and Balance Sheet); and (v) the SISP bi-weekly when the SISP commences.

- (o) the Credit Parties shall maintain insurance with respect to their property and business with financially sound and reputable insurance companies, of such kinds and in such amounts and against such risks as is customary for the business of the Credit Parties;
- (p) maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear and casualty and expropriation excepted) all material properties used or useful in the Borrower's business operations and make or cause to be made all appropriate repairs, renewals and replacements thereof except in the case;
- (q) maintain all licenses and permits required for the operation of their business in good standing;
- (r) forthwith notify the Monitor and DIP Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;
- (s) forthwith notify the Monitor and DIP Lender of the occurrence of any Event of Default, or of any event or circumstance that may constitute a material adverse change from the DIP Budget;
- (t) comply in all respects with all Applicable Laws;
- (u) comply in all material respects with their obligations under the DIP Credit Documentation;
- (v) execute and deliver such loan and security documentation as may be reasonably requested by the DIP Lender from time to time;
- (w) at all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the business of the Credit Parties with financially sound and reputable insurers in coverage and scope acceptable to the DIP Lender, acting reasonably, and, if requested by the DIP Lender, cause the DIP Lender to be listed as the loss payee or additional insured (as applicable) on such insurance policies;
- (x) act diligently and in good faith in the pursuit of the CCAA Proceedings;
- (y) take all actions necessary or available to defend the Court orders that affect the DIP Lender, the Collateral, and the Additional Security, from any motion, application, appeal, reversal, modifications, amendment, stay or vacating, unless expressly agreed to in writing in advance by the DIP Lender, in its sole

	<p>discretion; and</p> <p>(z) the Credit Parties shall promptly notify the DIP Lender and the Monitor of any development or event that has had or could reasonably be expected to have a material adverse effect on the Credit Parties or their businesses or affairs.</p>
<p>NEGATIVE COVENANTS</p>	<p>The Credit Parties, as applicable, covenant and agree not to do the following, other than with the prior written consent of the DIP Lender in the DIP Lender’s sole discretion:</p> <ul style="list-style-type: none"> (a) sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business; (b) make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as contemplated by the DIP Budget, or declare or pay any dividends; (c) create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt disclosed to the DIP Lender and post-filing trade payables incurred in the ordinary course of business; (d) make any payment towards any non-registered employee savings plan or other similar workplace benefit plans, without the consent of the Monitor; (e) terminate or amend in any material manner, any existing material contractual obligation; (f) create or permit to exist any Liens on any of the Property other than Permitted Liens; (g) enter into or agree to enter into any investments (other than cash equivalents) or acquisitions of any kind, direct or indirect, in any business; (h) assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person; (i) transfer, pay, distribute, lend or otherwise provide any funds (whether arising from DIP Advances or otherwise) to any Affiliate or with any person who is not at arm’s length including any shareholders (direct or indirect) (“Non Arms Length Parties”); (j) enter into or be a party to any transaction including any purchase, sale, lease, license or exchange of property, the rendering of any service or the payment of any management advisory or similar fee, with any Non Arms Length Parties, other than (i) as consented to by the Monitor and approved by the Court on prior

	<p>notice to the DIP Lender; or (ii) as consented to by the DIP Lender,</p> <ul style="list-style-type: none"> (k) make a public announcement in respect to, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, other than with the consent and approval of the Monitor; (l) enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any of the Credit Parties would become the property of any other Person or Persons unless authorized by the DIP Lender in writing; (m) other than the Court Ordered Charges, seek or support a motion by another party to provide to a third party a charge upon any Property (including, without limitation, a critical supplier's charge) without the prior consent of the DIP Lender; (n) amend or seek to amend the Initial Order or the Amended and Restated Initial Order, or without the prior approval of the Monitor, the SISP, if one is brought; (o) seek, or consent to the appointment of an interim receiver, receiver, receiver manager, licensed insolvency trustee or any similar official in any jurisdiction; (p) terminate or repudiate any agreement with the DIP Lender; (q) seek or obtain any order from the Court that adversely affects the DIP Lender, in the opinion of the DIP Lender in its sole discretion, except with the prior written consent of the DIP Lender; and (r) disclaim any lease or agreement pursuant to section 32 of the CCAA, which is material to the business and operations of the Borrower without prior notice to the DIP Lender.
<p>INDEMNITY</p>	<p>The Credit Parties agree to indemnify and hold harmless the DIP Lender, its officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the “Indemnified Persons”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, this Term Sheet, the Additional Security, or the DIP Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or</p>

	<p>expenses result from the gross negligence or willful misconduct of such Indemnified Persons.</p>
<p>EVENTS OF DEFAULT</p>	<p>The occurrence of any one or more of the following events shall constitute an event of default (“Event of Default”) under this Term Sheet:</p> <ul style="list-style-type: none"> (a) failure of the Borrower to pay principal or Interest when due under this Term Sheet; (b) any representation, warranty, certificate or other statement of fact made or deemed by or on behalf of any of the Credit Parties herein or in any other DIP Credit Documentation or any amendment or modification hereof or thereof or waiver hereunder or thereunder proves to be false or misleading in any material respect on or as the date made or deemed made; (c) any other breach by any of the Credit Parties in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Term Sheet; (d) any breach by any of the Credit Parties in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in the Additional Security or the DIP Credit Documentation, or any event of default occurring under such documents; (e) any breach remains unremedied for longer than two (2) Business Days following the receipt of notice thereof or refusal by the Credit Parties to take any actions or steps requested by the Monitor in accordance with the powers granted to it under the Initial Order and/ or the Amended and Restated Initial Order; (f) if the Amended and Restated Initial Order is not issued by the Court by 5:00pm on April 25, 2025, in form and substance satisfactory to the DIP Lender in its sole discretion; (g) the Credit Parties seek to challenge, set-aside, invalidate, or otherwise effect the enforceability and priority of the Additional Security or the DIP Lender’s Charge; (h) the granting of any order reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting the DIP Lender without the prior written consent of the DIP Lender; (i) either the Initial Order or the Amended and Restated Initial Order or the Additional Security, shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the DIP Lender; (j) any of the Credit Parties shall fail to comply in any material respect that has an adverse effect on the interests of the DIP

Lender with any order granted by the Court in the CCAA Proceedings or the DIP Lender's Charge is rendered invalid and unenforceable against the Credit Parties;

- (k) the DIP Lender and the Monitor determine that there has been a material adverse change in the assets, business operations and/or capital structure of any of the Credit Parties;
- (l) this Term Sheet, the Additional Security, any other DIP Credit Documentation or the DIP Lender's Charge shall cease to be effective or shall be contested by any of the Credit Parties or any other party;
- (m) any order is issued by the Court (or any other court of competent jurisdiction) that adversely affects the interest of the DIP Lender, in the DIP Lender's sole discretion;
- (n) the CCAA Proceedings are terminated or converted to bankruptcy or receivership proceeding or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA Proceedings (as extended from time to time until the Maturity Date), unless agreed by the DIP Lender, in its sole discretion;
- (o) unless consented to in writing by the DIP Lender, in its sole discretion, the expiry without further extension of the stay of proceedings in the CCAA Proceedings;
- (p) the making by the Credit Parties of a payment of any kind that is not permitted by this Term Sheet or and is not in accordance with the DIP Budget unless consented to in writing by the DIP Lender in its sole discretion;
- (q) any Plan is filed or sanctioned by the Court, or any transaction is sought to be approved, in form and in substance that is not acceptable to the DIP Lender, including if such plan or transaction does not provide for the repayment, in cash in its entirety of: (i) the Obligations under the DIP Facility in full by the Maturity Date; and (ii) all obligations under, in connection with, or pursuant to, the Pre-Filing Loan Agreements, in each case, including interest thereon and the costs and expenses in connection therewith to the date of implementation or closing of such plan or transaction unless consented to in writing by the DIP Lender;
- (r) the denial or repudiation by the Credit Parties of the legality, validity, binding nature or enforceability of this Term Sheet, the DIP Lender's Charge or the Additional Security;
- (s) any creditor, encumbrancer or other Person seizes or levies upon any Collateral or exercises any right of distress, execution, foreclosure or similar enforcement process against any

	<p>Collateral;</p> <p>(t) any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the DIP Lender, acting reasonably;</p> <p>(u) any of the Credit Parties makes any payments of any kind not permitted by this Term Sheet, the DIP Budget or any order of the Court;</p> <p>(v) if the total cumulative disbursements and receipts provide in the weekly reporting is at any time during the CCAA Proceedings, greater than 15% of the cumulative budget confirmed in the DIP Budget or the applicable Updated DIP Budget, measured on a weekly basis; or</p> <p>(w) borrowings under the DIP Facility exceed the principal amount of the DIP Facility.</p>
REMEDIES	<p>Upon the occurrence and continuance of an Event of Default, subject to the DIP Credit Documentation, the DIP Lender may, upon written Notice to the Borrower and the CRO, with a copy to the Monitor:</p> <p>(a) terminate the DIP Facility and refuse to permit any further DIP Advances and, subject to the DIP Lender obtaining an order from the Court lifting the stay of proceedings in the Amended and Restated Initial Order;</p> <p>(b) on prior written notice to the Borrower and the service list of no less than four (4) Business Days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the Property or for the appointment of a trustee in bankruptcy of the Borrower;</p> <p>(c) exercise the powers and rights of a secured party provided under the <i>Personal Property Security Act</i> (Ontario), the <i>Mortgages Act</i> (Ontario) and any similar legislation in any applicable jurisdiction, including the <i>Construction Act</i> (Ontario); and</p> <p>(d) exercise all such other rights and remedies under the DIP Credit Documentation and orders of the Court in the CCAA Proceedings.</p>
DIP LENDER APPROVALS	<p>All consents of the DIP Lender hereunder shall be in its sole and absolute discretion and shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by a written instrument, including by way of electronic mail.</p>
MATURITY DATE	<p>Subject to the termination of this Term Sheet by reason of an Event of Default, the Maturity Date of the DIP Facility shall be the earliest of:</p> <p>(a) July 31, 2025 (or such later date as the DIP Lender in its</p>

	<p>discretion may agree to in writing with the Borrower);</p> <ul style="list-style-type: none"> (b) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the DIP Lender, or (ii) the CCAA Proceedings are terminated for any reason; (c) the closing of a purchase and sale of substantially all of the assets or shares of the Borrower which has been approved by an order entered by the Court; (d) the implementation of a plan in the CCAA Proceedings approved by an order entered by the Court; (e) the refinancing of the DIP Facility upon the written consent of the DIP Lender; (f) the date on which the CCAA Proceedings are terminated or are converted into a proceeding under the <i>Bankruptcy and Insolvency Act</i> (Canada), or the stay of proceedings expires without extension; (g) the payment in full of the Obligations owing to the DIP Lender or (h) the occurrence of an Event of Default. <p>The DIP Lender’s commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility including accrued Interest and Legal Fees (collectively, the “Obligations”) shall be repaid in full on the Maturity Date without the DIP Lenders being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the indebtedness under this Term Sheet are due and payable.</p> <p>The Maturity Date may be extended from time to time at the request of the Borrower, and with the prior written consent of the DIP Lender and the Monitor, for such period and on such terms and conditions as the DIP Lender may agree to in writing.</p>
<p>FURTHER ASSURANCES</p>	<p>The Credit Parties shall at their expense, from time to time execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Term Sheet and the other DIP Credit Documentation, perfecting, protecting and maintaining the Liens created by the DIP Lender’s Charge or establishing compliance with the representations, warranties and conditions of this Term Sheet or any other DIP Credit Documentation.</p>
<p>NON-MERGER</p>	<p>The provisions of this Term Sheet shall not merge on the Initial Advance or any Subsequent Advance made hereunder but shall continue in full force and effect for the benefit of the parties hereto.</p>

ENTIRE AGREEMENT	<p>This Term Sheet, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other DIP Credit Documentation, this Term Sheet shall govern and supersede. Neither this Term Sheet nor any other DIP Credit Documentation, nor any terms hereof or thereof, may be amended, unless such amendment is in writing signed by the Borrower and the DIP Lender.</p>
AMENDMENTS, WAIVERS, ETC.	<p>No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender. Any consent to be provided by the DIP Lender shall be granted or withheld solely in its capacity, and having regard to its interests, as DIP Lender.</p>
ASSIGNMENT	<p>The DIP Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, subject in all cases to the assignee providing written notice to the Credit Parties to confirm such assignment. Neither this Term Sheet nor any right or obligation hereunder may be assigned by any of the Credit Parties without the written consent of the DIP Lenders.</p> <p>Each of the Credit Parties hereby consents to the disclosure of any confidential information in respect of the Credit Parties to any potential assignee provided such potential assignee agrees in writing to keep such information confidential. A copy of all notices delivered pursuant to this section shall be delivered promptly to the Monitor.</p>
PRE-FILING CREDIT ARRANGEMENTS	<p>Except as expressly provided for herein, nothing in this Term Sheet shall amend or affect the rights, remedies and entitlements of the DIP Lender in respect of the Pre-Filing Obligations, including the right to payment of interest, under or in respect of and in accordance with the Pre-Filing Loan Agreements, or any loan documents or security documents delivered in connection with the Pre-Filing Loan Agreements, or restrict the enforcement by the DIP Lender of any such rights, remedies or entitlements.</p> <p>For greater clarity, nothing in this Term Sheet shall amend or affect the rights, remedies and entitlements of the Bank of Montreal and/or any of its affiliates or subsidiaries, including the right to payment of interest, under or in respect of and in accordance with any loan documents or security documents delivered by the Credit Parties.</p>
SEVERABILITY	<p>Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and thereof or affecting the validity or enforceability of such provision in any other jurisdiction.</p>

<p>COUNTERPARTS AND FACSIMILE SIGNATURES</p>	<p>This Agreement may be executed in any number of counterparts and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Term Sheet by signing any counterpart of it.</p>
<p>NOTICES</p>	<p>Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:</p> <p>In the case of the DIP Lender:</p> <p>BMO Financial Group First Canadian Place 100 King Street West, 19th Floor Toronto, ON M5X 1A1</p> <p>Attention: Rachel Gillespie Email: rachel.gillespie@bmo.com</p> <p>With a copy to:</p> <p>Aird & Berlis LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Attention: Steven Graff, Adrienne Ho and Samantha Hans Email: sgraff@airdberlis.com, aho@airdberlis.com and shans@airdberlis.com</p> <p>In the case of the Credit Parties:</p> <p>c/o Earth Boring Co. Limited 1775 North Sheridan Way Mississauga, ON L5K 1A2</p> <p>Attention: Eugene Woodbridge Email: gene@earthboring.ca</p> <p>With a copy to:</p> <p>Reconstruct LLP 80 Richmond Street West, Suite 1700 Toronto, ON M5H 2A3</p> <p>Attention: Caitlin Fell, Brendan Bissell and Jessica Wuthmann Email: cfell@reconllp.com, bbissell@reconllp.com and jwuthmann@reconllp.com</p> <p>In either case, with a copy to the Monitor:</p>

	<p>BDO Canada Limited 20 Wellington East, Suite 500 Toronto, ON M5E 1C5</p> <p>Attention: Clark Lonergan Email: clonergan@bdo.ca</p> <p>In either case, with a copy to the Monitor's counsel:</p> <p>Gowling WLG (Canada) LLP 1 First Canadian Place 100 King Street, Suite 1600 Toronto, ON M5X 1G5</p> <p>Attention: Clifton Prophet and Heather Fisher Email: clifton.prophet@gowlingwlg.com and heather.fisher@gowlingwlg.com</p>
GOVERNING LAW AND JURISDICTION	<p>This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Credit Parties irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.</p>

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS HEREOF, the parties hereby execute this Term Sheet as of the date first written above.

DIP LENDER:

BANK OF MONTREAL

Per: _____
Name:
Title:

CREDIT PARTIES:

EARTH BORING CO. LIMITED

Per: _____

Name: Name 1

Title: Title 1

Per: _____

Name: Name 2

Title: Title 2

We have authority to bind the corporation

TROLAN INVESTMENTS LTD.

Per: _____

Name: Name 1

Title: Title 1

Per: _____

Name: Name 2

Title: Title 2

We have authority to bind the corporation

YARBRIDGE HOLDINGS INC.

Per: _____

Name: Name 1

Title: Title 1

Per: _____

Name: Name 2

Title: Title 2

We have authority to bind the corporation

YARFIELD SERVICES LIMITED

Per: _____

Name: Name 1

Title: Title 1

Per: _____

Name: Name 2

Title: Title 2

We have authority to bind the corporation

**SCHEDULE “A”
ADDITIONAL DEFINITIONS**

“**Administration Charge**” means a super-priority Court-ordered charge against the assets of the Applicants securing the indemnity granted by the Applicants to the Applicants’ legal counsel, the CRO, the Monitor, and Monitor’s legal counsel in an amount not to exceed \$300,000 under the Initial Order, which amount is not to exceed \$600,000 under the Amended and Restated Initial Order.

“**Affiliate**” means, in respect of any Person at any date, (a) any corporation, company, limited liability company, association, joint venture or other business entity of which securities, membership interests or other ownership interests representing fifty percent (50%) or more of the voting power of all equity interests are owned or held, directly or indirectly, by such Person, (b) any partnership, limited liability company or joint venture wherein the general partner, managing partner or operator is, directly or indirectly, such Person, or (c) any other Person that is otherwise directly or indirectly controlled by such Person.

“**Applicable Laws**” means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of any or all of the Credit Parties, the operation of their businesses or their Property, as the case may be.

“**BDC**” Business Development Bank of Canada.

“**BDC Mortgage Charges**” means (i) a charge/mortgage in a principal amount of \$5,000,000 registered against the Steelwell Property in favour of BDC under instrument PR4394604; and (ii) a charge/mortgage in the principal amount of \$4,925,000 registered against the Zelco Property in favour of BDC under instrument HR1655555, a charge/mortgage in the principal amount of \$2,000,000 registered against the Zelco Property in favour of BDC under instrument HR1697379, and a charge/mortgage in the principal amount of \$3,300,000 registered against the Zelco Property in favour of BDC under instrument HR1920436.

“**Business Day**” means a day on which banks in Toronto, Ontario are open for business.

“**Collateral**” means all present and future assets, undertakings and properties, of any kind, of the Applicants, real and personal, tangible or intangible, including all proceeds thereof, wherever situated.

“**Court Ordered Charges**” means the Administration Charge, the Director’s Charge and the DIP Lender’s Charge.

“**Default**” means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

“**DIP Credit Documentation**” means this Term Sheet, the orders of the Court approving it and any other definitive or ancillary documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender, in its sole discretion.

“**Director’s Charge**” means a super-priority Court-ordered charge against the assets of the Applicants securing the indemnity granted by the Applicants to their directors and officers, in an amount not to exceed \$200,000 under the Initial Order, which amount is not to exceed \$400,000 under the Amended and Restated Initial Order.

“Governmental Authorities” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **“Governmental Authority”** means any one of them.

“Legal Fees” means all reasonable and documented legal fees and disbursements that the DIP Lender will have to pay to its legal counsel in connection with any and all tasks related to this Term Sheet, the CCAA Proceedings, the orders of the Court, the DIP Facility or the DIP Credit Documentation and the enforcement of any of the rights and remedies available hereunder or under any security agreement granted by any of the Credit Parties in favour of the DIP Lender.

“Liens” means all mortgages, pledges, charges, encumbrances, hypothecs, liens and security interests of any kind or nature whatsoever.

“Permitted Priority Liens” means the Administration Charge. For greater certainty, except as expressly set forth in this Term Sheet, Liens and claims arising from the construction, repair, maintenance and/or improvement of real or personal property, and any Liens or any other claims arising from holdback or statutory trust claims shall not be “Permitted Priority Liens”.

“Permitted Liens” means (a) the Court Ordered Charges; and (b) liens, if any, in respect of amounts payable by a Borrower for wages, vacation pay, deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada), income tax and workers compensation claims.

“Person” means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or Governmental Authority.

“Plan” means the implementation of a proposal, plan of compromise or arrangement within the CCAA Proceedings which has been approved by the requisite majorities of the Borrowers’ creditors and by order entered by the Court and by the DIP Lender.

“Post-Filing Obligations” means all liabilities, indebtedness and obligations owing by the Credit Parties to the DIP Lender arising on or after the date of the Initial Order.

“Pre-Filing Loan Agreements” means the loan arrangements made pursuant to the credit agreement entered into between the Borrower and the DIP Lender dated as of June 22, 2023, as amended by a first amendment dated as of July 22, 2024 and a second amendment and forbearance agreement dated March 13, 2025 (as the same may be amended, amended and restated, renewed, extended, supplemented, replaced, or otherwise modified from time to time in accordance with its provisions).

“Pre-Filing Obligations” means all liabilities, indebtedness and obligations owing by the Credit Parties to the DIP Lender prior to the date of the Initial Order, including any and all liabilities, indebtedness and obligations owing under the Pre-Filing Loan Agreements.

“Property” means the Applicants’ present and after-acquired assets, and properties of every nature and kind whatsoever, wherever situate including all proceeds thereof.

“SISP” any sale and investment solicitation process in respect of the Property of the Applicants that may be sought in these CCAA Proceedings.