

Court File No. CV-26-00035949-000T  
Estate No.: 35-3311888

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**MOTION RECORD**  
(Returnable March 6, 2026)

February 26, 2026

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Lawyers for Reactor Engineering Group Ltd.

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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

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# Tab 1

Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**NOTICE OF MOTION  
(Returnable March 6, 2026)**

Reactor Engineering Group Ltd. (“**Reactor**”), will make a motion to a Judge of the Ontario Superior Court of Justice on March 6, 2026 at 10:00 a.m. or as soon after that time as the motion can be heard:

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- In writing under subrule 37.121 (1) because it is on consent.
- In writing as an opposed motion under subrule 37.121 (4).
- In person.
- By telephone conference.
- By video conference.

At a Zoom link to be provided by the Court in advance of the hearing.

**THIS MOTION IS FOR:**

1. An Order substantially in the form attached at Tab 2 of the Motion Record, among other things:
  - a. if necessary, abridging the time for service of this Motion Record and Notice of Motion or, in the alternative, dispensing with same;
  - b. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy*

- and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by 32 days up to and including April 17, 2026, pursuant to subsection 50.4(9) of the *BIA*;
- c. approving the Third Report of BDO Canada Limited in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), to be filed (the “**Third Report**”), and the Proposal Trustee’s activities set out therein;
  - d. approving the professional fees and disbursements of the Proposal Trustee and its counsel, Aird & Berlis LLP (“**A&B**”), as set out in their respective fee affidavits to be appended to the Third Report;
  - e. approving the revised engagement letter dated as of February 23, 2026 (the “**Revised Engagement Letter**”) between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”) for preparation of Reactor’s Scientific Research and Experimental Development Tax Credit Program claims for each of the fiscal years ending February 28, 2025 and February 28, 2026 (the “**SRED Claims**”); and
  - f. subordinating the Directors’ Charge and the DIP Lenders’ Charge granted by Order of Justice Rady dated January 16, 2026 (the “**January 16 Order**”) to the security interest granted in favour of Pinnacle pursuant to the Revised Engagement Letter; and
- such further and other relief as counsel may advise and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

- 2. Reactor is a corporation incorporated pursuant to the laws of Ontario. Reactor is co-owned by Andrew Glover and David Glover (collectively, the “**Glovers**”).
- 3. Reactor is a third-generation Canadian, family-owned engineering and manufacturing business operating in Windsor, Ontario. With over approximately 50 years of operations, Reactor has historically specialized in the development of custom machine tools, high-tolerance tools,

machining, and assembled components for the nuclear, oil and gas, aerospace, and automotive industries. Reactor does business under the trade name “Harbour Technologies”.

4. Reactor operates from two leased facilities located in Windsor, Ontario and one leased facility in Chatham, Ontario. Reactor maintains a staff of thirty-four full-time employees.
5. Apart from beneficiaries of charges established either by the January 16 Order or by statute, Reactor has no secured creditors other than equipment lessors and the DIP Lender in respect of the contractually secured Initial Advances (as such term is defined below).
6. Due to an ill-fated venture into personal protective equipment (“PPE”) gown manufacturing for the federal government during the COVID-19 pandemic, Reactor is now embroiled in an arbitration and two actions before the Ontario Superior Court of Justice (the “Court”) involving Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“Wuxly”) and International Customer Products Inc. (“ICP”). As a result of these proceedings, Reactor faces a claim by Wuxly in the approximate amount of \$24.5 million and a claim by ICP in the approximate amount of \$1.7 million (collectively, the “Litigation Claims”).
7. Since the failure of its foray into PPE manufacturing and supply, Reactor has refocused on its core, historical business, which remains profitable. However, any material success by Wuxly and/or ICP in respect of the Litigation Claims would cripple Reactor. Even the cost of responding to the Litigation Claims has placed tremendous strain on Reactor’s resources.
8. Further background details are set out in the affidavits of Andrew Glover, sworn January 2, 2026 (the “**First Glover Affidavit**”), January 23, 2026 (the “**Second Glover Affidavit**”) and February 26, 2026 (the “**Third Glover Affidavit**”).

#### **NOI and Status of the Proposal Proceedings**

9. On December 17, 2025, Reactor commenced the Proposal Proceedings by filing a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the BIA (the “NOI”).
10. With the assistance of the Proposal Trustee, Reactor produced a fourteen-week cash flow forecast (the “**Initial Cash Flow**”) which the Proposal Trustee filed with the OSB on December 23, 2025, as required by the BIA.

11. The Court made the January 16 Order, among other things:

- a. extending time for Reactor to file a proposal by fourteen days to January 30, 2026;
- b. approving debtor-in-possession financing in the maximum principal amount of \$110,000, to be drawn in accordance with borrowing certificates (the “**DIP Financing**”);
- c. creating a charge securing obligations under the DIP Financing (the “**DIP Lenders’ Charge**”);
- d. creating a charge in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to Reactor in the maximum aggregate amount of \$400,000, as security for their professional fees and disbursements (the “**Administration Charge**”); and
- e. indemnifying Reactor’s officers and directors against obligations and liabilities incurred during the Proposal Proceedings and securing such indemnity with a charge in the maximum amount of \$100,000 (the “**Directors’ Charge**”).

12. On January 30, 2026, the Court made the following two further Orders:

- a. an Order (the “**SISP Approval Order**”), among other things:
  - i. approving a sale and investment solicitation process including auction procedures (the “**SISP**”);
  - ii. approving the Stalking Horse Asset Purchase Agreement executed by Reactor and ATMIS Protective Equipment Inc. (“**ATMIS**” and, in such capacity, the “**Stalking Horse Bidder**”) dated January 23, 2026 (the “**Stalking Horse Agreement**”) solely for purposes of serving the role as stalking horse in the SISP;
  - iii. authorizing and directing Reactor to pay the Stalking Horse Bidder the Break Fee (as defined in the Stalking Horse Agreement), in the amount of \$50,000, if a superior transaction is identified pursuant to the SISP; and

- iv. extending the benefit of the Administration Charge created by the January 16 Order to the BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”); and
- b. an Order (the “**January 30 Ancillary Order**”), among other things:
- i. granting an extension of time for filing of a proposal by forty-five (45) days up to and including March 16, 2026;
  - ii. approving the Second Report of the Proposal Trustee, dated January 27, 2026 (the “**Second Report**”), and the Proposal Trustee’s activities set out therein;
  - iii. approving the professional fees and disbursements of the Proposal Trustee and its counsel, A&B; and
  - iv. approving certain secured advances made by ATMIS, in its capacity as debtor-in-possession lender (in such capacity, the “**DIP Lender**”), during the Proposal Proceedings prior to the January 16 Order (the “**Initial Advances**”).
13. As described in the Second Report, Reactor had a positive cash flow variance, as compared to the Initial Cash Flows, as at the date of the Second Report. Reactor then took an advance under the DIP Financing, in the amount of \$40,000 on February 18, 2026 and expects to take a further advance, in the amount of \$60,000, the week of February 23, 2026.
14. The Initial Cash flows are being amended to extend them by four weeks through to April 22, 2026 (the “**Amended Cash Flows**”).
15. As will be described in the Third Report, the SISP is ongoing. The Proposal Trustee and Reactor have agreed that the Bid Deadline (as such term is defined in the SISP) should be extended. That decision was made because of delays in establishing protocols within the SISP for dealing with controlled goods subject to the *Defence Production Act* (Canada) and the *Controlled Goods Regulations* (“**Controlled Goods**”). Reactor’s counsel has been working diligently with Public Services and Procurement Canada’s Controlled Goods Program to obtain its approval of such protocols. The Controlled Goods Program has indicated to

Reactor's counsel that this is the first time it has seen an insolvency marketing progress for a Controlled Goods business.

16. Exercising its discretion under the SISP, the Proposal Trustee has proposed to extend the Bid Deadline by one week March 19, 2026, and, as a result, to also extend the Auction Date to not later than March 24, 2026 and the Sale Approval Hearing to not later than April 10, 2026 (as such terms are defined in the SISP).

### **Extension of Time to Make a Proposal**

17. Pursuant to the January 30 Ancillary Order, Reactor has until March 16, 2026 to file a proposal. The SISP is, however, not expected to be completed until late March 2026. The requested 32-day extension will provide the Proposal Trustee and the SISP Advisor the time needed to complete the SISP and bring a motion for approval of the successful bid. The requested extension will thus preserve the business as a going concern with benefit to all Reactor's stakeholders.
18. As shown in the Amended Cash Flows, Reactor will have the funding necessary to meet its post-NOI obligations as they come due through the proposed extension period. This funding will come through the DIP Financing and Reactor's own receipts.
19. Unless the Court grants an extension of time to make a proposal before the current deadline, being March 16, 2026, Reactor will be deemed to have made an assignment in bankruptcy without having had the opportunity to, among other things, conclude the SISP.
20. Reactor has acted, and continues to act, in good faith and with due diligence in these proceedings. Reactor is not aware of any creditor that will be materially prejudiced by the proposed extension of the deadline and the stay of proceedings.
21. The Proposal Trustee supports Reactor's request for an extension of time to file a proposal.

### **SRED Claims**

22. Reactor expects to file SRED Claims in the approximate amount of \$1,000,000 for the fiscal year ended February 28, 2025 and in the approximate amount of \$800,000 for the Fiscal year

ending February 28, 2026. Any input tax credits (“ITCs”) that might be awarded are treated as excluded assets under the Stalking Horse Agreement, leaving the value of the SRED Claims for the benefit of Reactor’s estate.

23. Reactor requires the assistance of Pinnacle to prepare and file the SRED Claims. Pinnacle has agreed to complete the 2025 SRED Claim for filing by March 15, 2026 and to complete the 2026 SRED Claim for filing by April 30, 2026.
24. Pinnacle’s fees under the Revised Engagement Letter are structured as a percentage of any input tax credits awarded in respect of the SRED Claims. Pinnacle would be paid 20% of any ITCs if no appeal is required, and 22.5% of where an ITC comes as a result of an appeal. Based on input from the Proposal Trustee, this fee structure is a revision of the 25% to 30% fee contemplated in the original January 23, 2026 Pinnacle engagement letter.
25. The fee to be paid to Pinnacle under the Revised Engagement Letter is fair and reasonable in light of: (a) the complexity of the SRED Claims and Pinnacle’s specialized ability to prepare the same; (b) the need to do what would normally represent six months of work in approximately one month; and (c) the payment and reputational risk to Pinnacle that, due to Reactor’s insolvency, there be no required company and management support through any appeal period. In terms of their complexity, the SRED Claims will require more intensive preparation compared to claims for prior years, both in terms of volume and technicality.
26. Because of this industry-standard, success-based fee structure, Pinnacle cannot require immediate payment for its services or avoid extending Reactor credit. Pinnacle therefore requires security for payment of its fees, which security has been granted in the Revised Engagement Letter by way of a charge over any amounts received by Reactor on account of ITCs resulting from the SRED Claims (the “**Pinnacle Charge**”). The Revised Engagement Letter also requires that the DIP Lenders’ Charge and the Directors’ Charge be subordinated to the Pinnacle Charge.
27. Pursuant to paragraph 17 of the January 16 Order, Reactor sought and received the Proposal Trustee’s consent to the granting of the Pinnacle Charge. The Glovers, as beneficiaries of the Directors’ Charge and ATMIS, as beneficiary of the DIP Lenders’ Charge, also consent.

### **Approval of Third Report and Fees**

28. In connection with the present motion, the Proposal Trustee will file its Third Report and has requested that Reactor seek approval of the same. The proposed form of Ancillary Order, limits reliance on such approval to just the Proposal Trustee.
29. The Proposal Trustee and its counsel, A&B, have incurred fees and disbursements in connection with the Proposal Proceedings and have requested that Reactor seek approval of the same. The Third Report will append the appropriate fee affidavits.

### **Other Grounds**

30. Sections 50.4, 64.2, 65.13, and 183 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
31. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 16.04, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
32. the inherent and equitable jurisdiction of this Court; and
33. such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) the affidavit of Andrew Glover, sworn February 26, 2026, with exhibits;
- (b) the Third Report of the Proposal Trustee, to be filed; and
- (c) such further and other material as counsel may advise and this Court may permit.

February 26, 2026

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**SERVICE LIST**  
(As at January 12, 2026)

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<b>AND TO:</b>	<b>ELECTRA-TECH MANUFACTURING INC.</b> 5130 Hennin Drive Oldcastle, ON N0R 1L0
<b>AND TO:</b>	<b>CONCENTRA EQUIPMENT FINANCE, A DIVISION OF BENNINGTON FINANCIAL CORP.</b> 100-1465 North Service Rd East Oakville, ON L6H 1A7
<b>AND TO:</b>	<b>WOOLLY MAMMOTH OUTERWEAR INC.</b> 1680 Courtneypark Drive East Unit 1-2 (Wuxly) Mississauga, ON L5T 1W1
<b>AND TO:</b>	<b>INTERNATIONAL CUSTOM PRODUCTS INC.</b> 1 Toronto Street, Suite 211 Toronto, ON M5C 2V6

Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

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**NOTICE OF MOTION**  
(Returnable March 6, 2026)

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# Tab 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**AFFIDAVIT OF ANDREW GLOVER  
(Sworn February 26, 2026)**

I, **ANDREW GLOVER**, of the Town of Amherstburg, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am a director and the Chief Executive Officer of Reactor Engineering Group Ltd. (“**Reactor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases, I believe that information to be true.
2. I make this affidavit in support of a motion by Reactor for an Order, among other things:
  - a. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by thirty-two (32) days up to and including April 17, 2026, pursuant to subsection 50.4(9) of the *BIA*;
  - b. approving the Third Report of BDO Canada Limited in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), to be filed (the “**Third Report**”), and the Proposal Trustee’s activities set out therein;
  - c. approving the professional fees and disbursements of the Proposal Trustee and

its counsel, Aird & Berlis LLP (“**A&B**”), as set out in the fee affidavits to be filed with the Court;

- d. approving the revised engagement letter dated as of February 23, 2026 (the “**Revised Engagement Letter**”) between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”) for preparation of Reactor’s Scientific Research and Experimental Development Tax Credit Program claims for each of the fiscal years ending February 28, 2025 and February 28, 2026 (collectively, the “**SRED Claims**”); and
- e. subordinating the DIP Lenders’ Charge and the Directors’ Charge created by the Order of the Honourable Justice Rady dated January 16, 2026 (the “**January 16 Order**”) to the security granted to Pinnacle under the Revised Engagement Letter.

#### **A. BACKGROUND**

3. Reactor is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) that operates a third-generation Canadian, family-owned engineering and manufacturing business operating in Windsor, Ontario. With over approximately 50 years of operations, Reactor has historically specialized in the development of custom machine tools, high-tolerance tools, machining, and assembled components for the nuclear, oil and gas, aerospace, and automotive industries. Reactor does business under the trade name “Harbour Technologies”.
4. Reactor is owned by myself and my brother, David Glover (collectively, the “**Glovers**”).
5. Reactor operates from three leased manufacturing facilities located at 2545 and 2557 Doty Place, Windsor, Ontario and 830 Richmond Street, Chatham, Ontario.
6. Reactor maintains a staff of thirty-four (34) full-time employees.
7. Apart from beneficiaries of charges established either by the January 16 Order or by statute, Reactor has no secured creditors other than: (i) equipment lessors and financiers; and (ii) the DIP Lender in respect of the contractually secured Initial Advances (as such term is

defined in paragraph 14.b.iv below).

8. Due to an ill-fated venture into personal protective equipment (“**PPE**”) gown manufacturing for the federal government during the COVID-19 pandemic, Reactor is now embroiled in an arbitration and two actions before the Ontario Superior Court of Justice (the “**Court**”) involving Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“**Wuxly**”) and International Customer Products Inc. (“**ICP**”). As a result of these proceedings, Reactor faces a claim by Wuxly in the approximate amount of \$24.5 million and a claim by ICP in the approximate amount of \$1.7 million (collectively, the “**Litigation Claims**”).
9. Since the failure of its foray into PPE manufacturing and supply, Reactor has refocused on its core, historical business, which remains profitable. However, any material success by Wuxly and/or ICP in respect of the Litigation Claims would cripple Reactor. Even the cost of responding to the Litigation Claims has placed tremendous strain on Reactor’s resources.
10. Further background on Reactor, its business and its financial difficulties can be found in my affidavit sworn January 2, 2026 (the “**First Glover Affidavit**”). Attached hereto as **Exhibit “A”** is a true copy of the First Glover Affidavit, without its exhibits.

## **B. PROPOSAL PROCEEDINGS**

11. On December 17, 2025, Reactor commenced the Proposal Proceedings by filing a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the *BIA* (the “**NOI**”). Attached hereto as **Exhibit “B”** is a true copy of the NOI, along with the certificate of filing as received from the Office of the Superintendent of Bankruptcy (“**OSB**”).
12. With the assistance of the Proposal Trustee, Reactor produced a fourteen-week cash flow forecast (the “**Initial Cash Flow**”) which the Proposal Trustee filed with the OSB on December 23, 2025, as required by the *BIA*. Attached hereto as **Exhibit “C”** is a true copy of the Initial Cash Flow.
13. The Honourable Justice Rady made the January 16 Order, among other things:
  - a. extending the time for filing of a proposal by Reactor up to January 30, 2026;

- b. approving debtor-in-possession financing in the maximum principal amount of \$110,000, to be drawn in accordance with borrowing certificates (the “**DIP Financing**”);
- c. creating a charge securing obligations under the DIP Financing (the “**DIP Lenders’ Charge**”);
- d. creating a charge in favour of the Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to Reactor in the maximum aggregate amount of \$400,000, as security for their professional fees and disbursements (the “**Administration Charge**”); and
- e. indemnifying Reactor’s officers and directors against obligations and liabilities incurred during the Proposal Proceedings and securing such indemnity with a charge in the maximum amount of \$100,000 (the “**Directors’ Charge**”).

Attached hereto, collectively, as **Exhibit “D”** are true copies of the January 16 Order and the accompanying Endorsement of Justice Rady.

14. On January 30, 2026, the Honourable Justice Mitchell made the following two Orders:

- a. an Order (the “**SISP Approval Order**”), among other things:
  - i. approving a sale and investment solicitation process including auction procedures (the “**SISP**”);
  - ii. approving the Stalking Horse Asset Purchase Agreement executed by Reactor and ATMIS Protective Equipment Inc. (“**ATMIS**” and, in such capacity, the “**Stalking Horse Bidder**”) dated January 23, 2026 (the “**Stalking Horse Agreement**”) solely for purposes of serving the role as stalking horse in the SISP;
  - iii. authorizing and directing Reactor to pay the Stalking Horse Bidder the Break Fee (as defined in the Stalking Horse Agreement), in the amount of \$50,000, if a superior transaction is identified pursuant to the SISP;

and

- iv. extending the benefit of the Administration Charge created by the January 16 Order to the BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”); and
- b. an Order (the “**January 30 Ancillary Order**”), among other things:
- i. granting an extension of time for filing of a proposal by forty-five (45) days up to and including March 16, 2026;
  - ii. approving the Second Report of the Proposal Trustee, dated January 27, 2026 (the “**Second Report**”), and the Proposal Trustee’s activities set out therein;
  - iii. approving the professional fees and disbursements of the Proposal Trustee and its counsel, A&B; and
  - iv. approving certain secured advances made by ATMIS, in its capacity as debtor-in-possession lender (in such capacity, the “**DIP Lender**”), during the Proposal Proceedings prior to the January 16 Order (the “**Initial Advances**”).

Attached hereto, collectively, as **Exhibit “E”** are true copies of the SISP Approval Order, the January 30 Ancillary Order and the accompanying Endorsement of Justice Mitchell.

15. As described in the Second Report, Reactor had a positive cash flow variance, as compared to the Initial Cash Flows, as at the date of the Second Report. Reactor has since taken one advance under the DIP Financing, in the amount of \$40,000 on February 18, 2026 and expects to take a further advance in the amount \$60,000 the week of February 23, 2026.
16. The Initial Cash flows are being amended to extend them by four weeks to April 22, 2026 (the “**Amended Cash Flows**”). I understand from the Proposal Trustee that the Amended Cash Flows will be appended to and discussed in the Third Report.

17. As will be described in the Third Report, the SISP is ongoing. The Proposal Trustee and Reactor have agreed that the Bid Deadline (as such term is defined in the SISP) should be extended. That decision was made because of delays in establishing protocols within the SISP for dealing with controlled goods subject to the *Defence Production Act* (Canada) and the *Controlled Goods Regulations* (“**Controlled Goods**”). Reactor’s counsel has been working diligently with Public Services and Procurement Canada’s Controlled Goods Program to obtain its approval of such protocols. The Controlled Goods Program has indicated to Reactor’s counsel that this is the first time it has seen an insolvency marketing progress for a Controlled Goods business.
18. Exercising its discretion under the SISP, the Proposal Trustee has tentatively proposed to extend the Bid Deadline by one week March 19, 2026, and, as a result, to also extend the Auction Date to not later than March 24, 2026 and the Sale Approval Hearing to not later than April 10, 2026 (as such terms are defined in the SISP). I am advised that the Proposal Trustee will detail its decision regarding these extensions in the Third Report.
19. Further details of the Proposal Proceedings can be found in my affidavit sworn January 23, 2026 (the “**Second Glover Affidavit**”) and in my supplemental affidavit sworn January 29, 2023 (the “**Supplemental Glover Affidavit**”). Attached hereto, collectively, as **Exhibit “F”** are true copies of the Second Glover Affidavit and the Supplemental Glover Affidavit, without their exhibits.

### **C. EXTENSION OF TIME TO FILE A PROPOSAL**

20. Pursuant to the January 30 Ancillary Order, Reactor has until March 16, 2026 to file a proposal. The SISP is, however, not expected to be completed until late March 2026. The requested 32-day extension of time will provide the Proposal Trustee and the SISP Advisor the time needed to complete the SISP and bring a motion for approval of the successful bid (and a further extension, as required). The requested extension will thus preserve the business as a going concern with benefit to all Reactor’s stakeholders.
21. As will be shown in the Amended Cash Flows, Reactor will have the funding necessary to meet its post-NOI obligations as they come due through the proposed extension period.

This funding will come through the DIP Financing and Reactor's own receipts.

22. Reactor has been acting and continues to act in good faith and with due diligence in the Proposal Proceedings and the SISF and it does not believe that the requested extension of time to file a proposal will cause material prejudice to any creditor.
23. The Proposal Trustee has advised that it supports Reactor's request for an extension of time to file a proposal.

#### **D. SRED CLAIMS**

24. Reactor expects to file a SRED Claim for the fiscal year ended February 28, 2025 in the approximate amount of \$1,000,000. Reactor will also file a SRED Claim in the expected approximate amount of \$800,000 for the Fiscal year ending February 28, 2026. Under the terms of the Stalking Horse Agreement, the benefit of any input tax credits ("ITCs") resulting from the SRED Claims would remain in Reactor's estate.
25. Reactor requires the assistance of Pinnacle to prepare and file the SRED Claims. Pinnacle has agreed to complete the 2025 SRED Claim for filing by March 15, 2026 and to complete the 2026 SRED Claim for filing by April 30, 2026.
26. Pinnacle's fees under the Revised Engagement Letter are structured as a percentage of any ITCs awarded in respect of the SRED Claims. Pinnacle would be paid 20% of any ITCs if no appeal is required, and 22.5% of where an ITC comes as a result of an appeal. Based on input from the Proposal Trustee, this fee structure is a revision of the 25% to 30% fee contemplated in the original January 23, 2026 Pinnacle engagement letter (attached as Exhibit "H" to the Second Glover Affidavit). Attached hereto as **Exhibit "G"** is a true copy of the Revised Engagement Letter.
27. In Reactor's business judgement, the fee to be paid to Pinnacle under the Revised Engagement Letter is fair and reasonable. It reflects, among other things: (a) the complexity of the SRED Claims and Pinnacle's specialized ability to prepare the same; (b) the need to do what would normally represent six months of work in approximately one month; and (c) the payment and reputational risk to Pinnacle that, due to Reactor's insolvency, there

be no required company and management support through any appeal period. With regard to the complexity of the SRED Claims, they will require more intensive preparation compared to claims for prior years, both in terms of volume and technicality.

28. Because of this industry-standard, success-based fee structure, Pinnacle cannot require immediate payment for its services or avoid extending Reactor credit. Pinnacle therefore requires security for payment of its fees, which security has been granted in the Revised Engagement Letter by way of a charge over any amounts received by Reactor on account of ITCs resulting from the SRED Claims (the “**Pinnacle Charge**”). The Revised Engagement Letter also requires that the DIP Lenders’ Charge and the Directors’ Charge be subordinated to the Pinnacle Charge.
29. Pursuant to paragraph 17 of the January 16 Order, Reactor sought and received the Proposal Trustee’s consent to the granting of the Pinnacle Charge. The Glovers, as beneficiaries of the Directors’ Charge and ATMIS, as beneficiary of the DIP Lenders’ Charge, also consent.
30. My assistance with preparation of the SRED Claims and with response to inquiries by the Canada Revenue Agency (“**CRA**”) about the SRED Claims will continue to be required.
31. The present motion is being brought somewhat early in relation to the present March 16, 2026 expiry of time to file a proposal because Reactor has to file its 2025 T2 corporate tax return on (the “**2025 T2**”) in order to bring itself in compliance with CRA. Reactor’s accountants were advised by CRA on February 17, 2026 that it has to be in compliance in order for CRA to transfer of money from the Reactor’s corporate tax account to its payroll account to cover source deduction arrears. The 2025 T2 is premised on the SRED Claim for the fiscal year ended February 28, 2025 having been filed. Filing the 2025 T2 without a filed SRED Claim raises the risk of being flagged by CRA for audit, and so Reactor needs to file the 2025 SRED Claim as soon as possible.

#### **E. APPROVAL OF REPORT AND FEES**

32. In connection with the present motion, I understand that the Proposal Trustee is preparing its Third Report and has requested that Reactor seek approval of the same. The proposed form of Order, wherein such approval is found, limits reliance on the approval to just the

Proposal Trustee.

33. The Proposal Trustee and its counsel, A&B, have incurred fees and disbursements in connection with the Proposal Proceedings and have requested that Reactor seek approval of the same. I am advised that the Proposal Trustee will append the appropriate fee affidavits to the Third Report.

34. I swear this affidavit in support of Reactor’s motion for the relief set out in paragraph 2 hereof and for no other or improper purpose.

**SWORN BEFORE ME** over video )  
conference this 26<sup>th</sup> day of February, 2026, in )  
accordance with Ontario Regulation 431/20. )  
The affiant was located in the City of Windsor, )  
in the Province of Ontario, while the )  
commissioner, Adriana Gasparini, was located )  
in the City of Vaughan, in the Province of )  
Ontario. )



---

**ANDREW GLOVER**



---

A Commissioner for taking affidavits )

LSO Licence No.: P14458 )

This is **Exhibit "A"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



---

Mariela Adriana Gasparini  
A Commissioner for taking affidavits

Court File No.:  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**AFFIDAVIT OF ANDREW GLOVER  
(Sworn January 2, 2026)**

I, **ANDREW GLOVER**, of the Town of Amherstburg, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am a director and the Chief Executive Officer of Reactor Engineering Group Ltd. (“**Reactor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases, I believe that information to be true.
2. I make this affidavit in support of a motion by Reactor for an order (the “**Order**”), among other things:
  - a. approving the First Report of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), to be filed (the “**First Report**”), and the Proposal Trustee’s activities set out therein;
  - b. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by fourteen (14) days up to and including January 30, 2026, pursuant to subsection 50.4(9) of the *BIA*;

- c. approving debtor-in-possession interim financing in the maximum principal amount of \$110,000 (the “**DIP Financing**”);
- d. granting a super-priority charge (the “**DIP Lenders’ Charge**”) over all of the assets, property and undertaking of Reactor (collectively, the “**Property**”) to secure repayment of any DIP Financing, ranking in priority to all other encumbrances other than the Administration Charge (as defined below);
- e. granting a super-priority charge over the Property for the benefit of the Proposal Trustee, counsel to the Proposal Trustee and counsel to Reactor in these Proposal Proceedings, in the maximum amount of \$400,000, as security for their professional fees and disbursements, ranking in priority to all other encumbrances (the “**Administration Charge**”); and
- f. granting a super-priority charge of the Property for the benefit of Reactor’s officers and directors, in the maximum amount of \$100,000, as security for Reactor’s obligations and liabilities that they may incur as directors or officers after filing of the NOI (as defined below), ranking in priority to all other encumbrances other than the Administration Charge and the DIP Lenders’ Charge (the “**Directors’ Charge**”).

## **A. BACKGROUND**

### **i. Reactor’s Business**

- 3. Reactor is a corporation incorporated pursuant to the laws of Ontario. The registered address for Reactor is 2545 Dory Place, Windsor, Ontario. Attached hereto as **Exhibit “A”** is a Corporate Profile Report for Reactor, dated January 2, 2026.
- 4. Reactor is a third-generation Canadian, family-owned engineering and manufacturing business operating in Windsor, Ontario. With over approximately 50 years of operations, Reactor has historically specialized in the development of custom machine tools, high-tolerance tools, machining, and assembled components for the nuclear, oil and gas,

aerospace, and automotive industries. Reactor does business under the trade name “Harbour Technologies”.

5. Reactor is owned by myself and my brother, David Glover (collectively, the “**Glovers**”).
6. Reactor operates from three leased manufacturing facilities located at 2545 and 2557 Doty Place, Windsor, Ontario (collectively, the “**Windsor Facilities**”) and 830 Richmond Street, Chatham, Ontario (the “**Chatham Facility**”).
7. Reactor maintains a staff of thirty-four (34) full-time employees, thirty-two (32) of whom work at the Windsor Facilities and two (2) of whom work at the Chatham Facility. Eight (8) of the thirty-four (34) employees are management. None of the employees are unionized.

ii. **Financial Difficulties and Litigation**

8. During the COVID-19 pandemic, Reactor pivoted its manufacturing process to develop a first-in-Canada roboticized personal protective equipment (“**PPE**”) gown manufacturing line at the Chatham Facility. As a result, Reactor bid on and won one of the major supply contracts tendered by the federal government (“**Canada**”) in 2021 for the urgent acquisition of PPE gowns. The contract, entered into on February 10, 2021 (the “**Canada Contract**”), was for the delivery of 4.5 million gowns by September 30, 2021.
9. In February, 2021, Reactor was still tooling up its roboticized facility. In order to meet Canada’s aggressive delivery schedule, Reactor needed to subcontract both for the acquisition of raw materials and for finished gowns. Reactor thus entered into the following agreements in April, 2021:
  - a. two purchase order contracts with International Customer Products Inc. (“**ICP**”), the first for purchase of fabric and the second for pre-manufactured gowns;
  - b. a contract with Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“**Wuxly**”) for the purchase of one million gowns.

10. During the Spring and Summer of 2021, a number of COVID-19 related, and other major, events and natural disasters began to seriously disrupt global supply chains and the ability to source gown materials. These included, among other things, rotating port closures in China, a blockage of the Suez Canal, destruction of western Canadian rail links due to wildfires and massive flooding in British Columbia, global container shortages, major delays at Canadian ports and the overwhelming of trucking, train and logistics suppliers' facilities in Canada. As a result of these events, Reactor's container orders of materials fell months behind and its subcontractor, ICP, reported the same delays.
11. It became apparent that the aggressive September 30 delivery deadline was impossible to meet. In accordance with the terms of the Canada Contract, Reactor repeatedly requested an extension of the delivery deadline due to "excusable delay", which extension Canada was required to grant in such circumstances. Canada, however, ignored all requests for an extension, leading Reactor to eventually commence a judicial review application in the Federal Court of Canada to compel Canada to properly consider and grant an extension.
12. Since Harbour Tech could only invoice Canada following actual delivery and acceptance of gowns, the delays in supply caused major cash flow issues for Reactor, and delays in payments to its subcontractors.
13. In September, 2021, both Wuxly and ICP threatened to cease all deliveries of raw materials and gowns unless all amounts owing to them by Reactor were paid. In late September, as a condition to Wuxly re-commencing supply, and encouraging ICP to do the same, Reactor and Wuxly entered into a joint venture agreement on terms dictated by Wuxly (the "JVA").
14. Upon discovering that Wuxly had committed multiple breaches of the terms of the JVA, and had taken other bad faith actions, Reactor terminated the JVA in December, 2021. Subsequently, Reactor discovered that Wuxly had supplied it with hundreds of thousands of PPE gowns that repeatedly failed the hydrostatic and flammability testing standards required by Canada and under the JVA or the purchase order contract.
15. ICP also concluded that Wuxly had breached contracts between them.
16. These breakdowns in contractual relationships lead to the following proceedings:

- a. an arbitration under the JVA, wherein Wuxly is the applicant and Reactor and the Glovers are the respondents (the “**Arbitration Proceedings**”);
- b. an action in the Ontario Superior Court of Justice by Wuxly against ICP, in which ICP has made counterclaim which counterclaim led Wuxly to bring a third-party claim against Reactor;<sup>1</sup> and
- c. an action by ICP against Reactor and the Glovers.<sup>2</sup>

17. As a result of these proceedings, Reactor faces a claim by Wuxly in the approximate amount of \$24.5 million and a claim by ICP in the approximate amount of \$1.7 million (collectively, the “**Litigation Claims**”).

18. Since the failure of its foray into PPE manufacturing and supply, Reactor has refocused on its core, historical business, which remains profitable. However, any material success by Wuxly and/or ICP in respect of the Litigation Claims would cripple Reactor. Even the cost of responding to the Litigation Claims has placed tremendous strain on Reactor’s resources.

**iii. Notice of Intention to Make a Proposal**

19. On December 17, 2025, Reactor commenced the within proceedings (the “**Proposal Proceedings**”) by filing a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the *BIA* (the “**NOI**”). Attached hereto as **Exhibit “B”** is a true copy of the NOI, along with the certificate of filing as received from the Office of the Superintendent of Bankruptcy (the “**OSB**”).

20. With the assistance of the Proposal Trustee, Reactor produced a fourteen-week cash flow forecast (the “**Initial Cash Flow**”) which the Proposal Trustee filed with the OSB on December 23, 2025, as required by the *BIA*. Attached hereto as **Exhibit “C”** is a true copy of the Initial Cash Flow.

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<sup>1</sup> *Woolly Mammoth Outerwear Inc. o/a Wuxly Movement v. International Custom Products Inc.*, CV-22-00683103-0000.

<sup>2</sup> *International Custom Products Inc. v. Reactor Engineering Group Ltd. o/a Harbour Technologies, Andrew Glover and David Glover*, CV-23-00699593-0000.

## **B. CREDITORS AND INDEBTEDNESS**

### **i. Secured Creditors and Lenders**

21. Reactor has no secured lender. There are a number of equipment lessors or financiers with registrations made against Reactor on the Ontario Personal Property Security Registration System (the “PPSRS”). In each case these registrations appear to be made in respect of specific equipment.
22. True copies of the results of searches of the PPSRS for registrations against Reactor and “Harbour Technologies”, each with currency to January 1, 2026, are attached, collectively, as **Exhibit “D”** to this Affidavit.

### **ii. Trade Creditors**

23. As shown on Reactor’s Form 33 list of creditors, excluding amounts owing to Wuxly and ICP, Reactor’s other debts total approximately \$875,000. For certain equipment lessors or financiers, the amounts listed as owing on Reactor’s Form 33 have been listed as the placeholder “\$250” either because the amount owing on the leases/financings remains to be determined or because no amount is believed to be owing but the corresponding PPRS registration remain in place.

### **iii. Employees**

24. Reactor manages its own payroll and is current on payment of wages and remittance of source deductions. On December 17, 2025 Reactor requested a transfer of a credit from its corporate income tax (“RC”) account to cover reported arrears on its payroll (“RP”) account in the amount of \$307k. The RC account had a credit balance of approx. \$384k being held by CRA due to non-compliance with filing requirements. It is my understanding that the requested credit has, as at the date of this Affidavit, been applied.
25. Reactor is in the process of establishing a Deferred Profit Sharing Plan for its employees through Manulife (the “DPSP”), but no contributions are yet owing to the DPSP. Reactor does not otherwise administer any pension for its employees.

### **C. STATUS OF RESTRUCTURING EFFORTS**

26. Reactor's intention is to commence a sale and investment solicitation process (the "SISP") to be designed and run by BDO, the goal of which will be to ensure the continuance of Reactor's business and the employment of its workers. The SISP is anticipated to be structured around a stalking-horse bid. The stalking-horse bidder will submit a binding offer to purchase substantially all of the assets of Reactor but agree that its bid will stand as the marker for potential other, subsequent bidders to outbid, if they so choose. In that way employees, customers and suppliers will have the reassurance that employment, the business and supply will continue on after this proceeding.

27. Reactor intends to bring a further motion returnable January 27, 2026 to have the SISP approved by Court.

### **D. CHARGES**

28. It is anticipated that the stalking horse bidder will provide the \$110,000 of DIP Financing required by Reactor, as predicted in by the Initial Cash Flows. Because of its modest size, the DIP Financing will be advanced pursuant to the terms of borrowing certificates, rather than a formal loan agreement. This simplified mechanism borrows from the standard practice in Court-appointed receiverships. Any borrowings by way of DIP Financing will be subject to prior written approval of the Proposal Trustee and will accrue interest at the below-market rate of the Bank of Montreal's prime commercial lending rate. The form of borrowing certificate is found at Schedule "A" to the draft Order.

29. The amounts of the proposed Administration Charge and Directors' Charge were determined in consultation with the Proposal Trustee. The \$100,000 amount for the Directors' Charge represents approximately two weeks of payroll with a small buffer.

### **E. EXTENSION OF TIME TO FILE PROPOSAL**

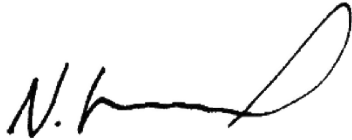
30. Under the *BIA*, Reactor has until January 16, 2026 to file a proposal unless the Court grants an extension of time to file a proposal prior to such date. The requested extension of the time to file a proposal will provide Reactor with the time necessary to advance its

aforementioned restructuring efforts. Specifically, the requested fourteen-day extension will allow Reactor to return to Court on January 27, 2026 for, among other things, approval of the SISP and a further extension of the time to file a proposal.


31. Unless the Court grants an extension of time to make a proposal before January 16, 2026, Reactor will be deemed to have made an assignment in bankruptcy without having had the opportunity to, among other things, pursue a going-concern sale of its business through the SISP. This would result in the immediate closure of Reactor's business, loss of employment for thirty-four (34) individuals and cause economic harm to other stakeholders such as Reactor's contractual counterparties.
32. Per the Initial Cash Flow, Reactor's funds and anticipated receipts are sufficient to meet its post-filing obligations as they come due through to the week of March 16, 2026. If a DIP Financing advance is necessary before January 13, 2026, Reactor expects it will be made on a contractually secured basis.
33. Reactor has acted, and continues to act, in good faith and with due diligence in these proceedings. Reactor is not aware of any creditor that will be materially prejudiced by the proposed extension of the deadline and the stay of proceedings.
34. The Proposal Trustee supports Reactor's request for an extension of time to file a proposal.

35. I swear this affidavit in support of Reactor's motion for the relief set out in paragraph 2 hereof and for no other or improper purpose.

**SWORN BEFORE ME** over video conference )  
this 2<sup>nd</sup> day of January, 2026, in accordance )  
with Ontario Regulation 431/20. The affiant )  
was located in the Town of Amherstburg, in the )  
Province of Ontario, while the commissioner, )  
Nick Hollard, was located in the City of )  
Toronto, in the Province of Ontario. )



\_\_\_\_\_  
A Commissioner for taking affidavits )



\_\_\_\_\_  
**ANDREW GLOVER**

Court File No.:  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT WINDSOR

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**AFFIDAVIT OF ANDREW GLOVER**  
(Sworn January 2, 2026)

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**BORDEN LADNER GERVAIS LLP**

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22 Adelaide St W  
Toronto, Ontario M5H 4E3  
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**Sam Babe (LSO No. 49498B)**

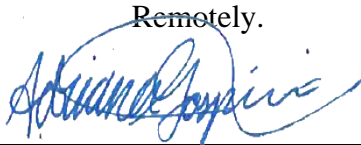
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**Nick Hollard (LSO No. 831700)**

Tel: 416-367-6545  
nhollard@blg.com

Lawyers for Reactor Engineering Group Ltd.

This is **Exhibit "B"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -


Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
Reactor Engineering Group Ltd. o/a Harbour Technologies  
of the City of Windsor, in the Province of Ontario

Take notice that:

1. I, Reactor Engineering Group Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of 20 Wellington St E, Suite 500, Toronto, ON, M5E 1C5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Windsor in the Province of Ontario, this 16th day of December 2025.



D. GLOVER  
Reactor Engineering Group Ltd.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Reactor Engineering Group Ltd. o/a Harbour Technologies  
 of the City of Windsor, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Canada Border Services Agency	2500 Ouellette Ave Windsor ON N9A 7K3		3,457.58
Cohen Hamilton Steger	100 King St, Suite 7011 Toronto ON M5X 1A9		29,686.11
Concentra Equipment Finance a division of Bennigton Financial Corp.	100- 1465 North Service Rd E Oakville ON L6H 1A7		725,752.51
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9		250.00
Electra-Tech Manufacturing Inc.	5130 Hennin Drive Oldcastle ON N0R 1L0		250.00
Employees	c/o BDO Canada Limited 500- 20 Wellington East Toronto ON M5E 1C5		250.00
Essentra Components	C/O T42869C PO Box 4286, Station A Toronto ON M5W 5W9		250.00
Ford Credit Canada Limited Bankruptcy Department	Box 8651, Stn Main Concord ON L4K 0N8		250.00
Ford Credit Canada Limited Bankruptcy Department	Box 1800, RPO Lakeshore West Oakville ON L6K 0J8		250.00
Glovehold Enterprises Ltd.	2545 Doty Place Windsor ON N8X 2W5		3,000.00
Hill & Schumacher Professional Corp	264 Avenue Road Toronto ON M4V 2G7		42,237.40
INTERFUSE - Smitcho Tool and Die	162 Oldside Road Clarence PA 16829 USA		996.60
International Custom Products Inc.	49 Howden Rd Scarborough ON M1R 3C7		1,500,000.00

District of:  
 Division No. -  
 Court No.  
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Reactor Engineering Group Ltd. o/a Harbour Technologies  
 of the City of Windsor, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ken Lapain and Sons Ltd.	2119 County Rd 15, RR#2 Essex ON N8M 2X6		11,865.00
Linde Canada Inc (Praxair)	PO Box 400 Station D Scarborough ON N1R 5M1		3,407.68
Merchant Paper Company	972 Crawford Avenue, PO Box 602 Windsor ON N9A 6N4		1,042.97
Microchrome Crankshaft Co. Ltd	35 Killaloe Road, Unit #1 Concord ON L4K 2A9		3,130.10
Ministry of Finance - ON PST, EHT & Other Taxes Mrs. Asta Alberry	Ministry of Revenue 33 King Street West 6th Floor Oshawa ON L1H 8H5		6,818.70
Motion Industries DBA LSI Supply	934 Richmond St Chatham ON N7M 5J5		5,351.77
Penske	PO BOX 7476, Station A Toronto ON M5W 3C1		250.00
Rentokil Canada Cooperation	1-99- Locke St Concord ON L4K 0J2		667.02
Ringmasters	C/O Scot Forge Company PO BOX 15010, Station A Toronto ON M5W 1C1		12,129.00
Sirco Machinery Company Limited	40 Jutland Road Toronto ON N8Z 2G9		2,455.17
Trakar Products Inc.	PO BOX 25038 Brantford ON N3T 6K5		565.43
Uline Canada Corporation	Box 3500, RPO Streetsville Mississauga ON L5M 0S8		250.00
Waste Connection of Canada Inc.	91 SASS RD Chatham ON N7M 5J4		2,488.63
Western Alliance Logistics Inc.	16766 Transcanadienne, Suite 403 Kirkland QC H9H 4M7		10,915.00

District of:  
Division No.  
Court No.  
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
Reactor Engineering Group Ltd. o/a Harbour Technologies  
of the City of Windsor, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Woolly Mammoth Outerwear O/A Wuxly	1680 Courtneypark Dr, Unit E1-2 Mississauga ON L5T 1W1		15,000,000.00
Workplace Safety and Insurance Board Eric Kupka	200 Front St W, 22nd Floor Toronto ON M5V 3J1		9,698.33
<b>Total</b>			17,377,665.00



Reactor Engineering Group Ltd.  
Insolvent Person





Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of: Ontario  
Division No.: 06 - Windsor  
Court No.: 35-3311888  
Estate No.: 35-3311888

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

**Reactor Engineering Group Ltd.**

Insolvent Person

**BDO CANADA LIMITED / BDO CANADA LIMITÉE**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

December 16, 2025

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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: December 17, 2025, 14:00

E-File/Dépôt Electronique

Official Receiver

**Canada**

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902

This is **Exhibit "C"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

IN THE MATTER OF THE PROPOSAL OF  
**REACTOR ENGINEERING GROUP LTD. o/a HARBOUR TECHNOLOGIES**  
 Cash Flow Projection (CAD)

Notes	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
1	<b>Week Beginning:</b>	<b>15-12-2025</b>	<b>22-12-2025</b>	<b>29-12-2025</b>	<b>5-1-2026</b>	<b>12-1-2026</b>	<b>19-1-2026</b>	<b>26-1-2026</b>	<b>2-2-2026</b>	<b>9-2-2026</b>	<b>16-2-2026</b>	<b>23-2-2026</b>	<b>2-3-2026</b>	<b>9-3-2026</b>	<b>16-3-2026</b>	
	<b>Opening balance</b>	61,022	114,665	75,263	18,797	320	136,150	4,286	95,868	3,147	348,632	231,868	282,045	174,325	373,725	61,022
	<b>Receipts:</b>															
2	Revenue collected	-	30,000	-	-	197,726	-	277,528	-	358,002	-	177,166	-	292,667	-	1,333,090
3	Accounts receivable collected	144,249	20,679	-	17,468	110,304	4,900	11,043	-	152,149	-	-	-	-	-	460,791
	<b>Total cash in</b>	<b>144,249</b>	<b>50,679</b>	<b>-</b>	<b>17,468</b>	<b>308,030</b>	<b>4,900</b>	<b>288,571</b>	<b>-</b>	<b>510,151</b>	<b>-</b>	<b>177,166</b>	<b>-</b>	<b>292,667</b>	<b>-</b>	<b>1,793,880</b>
	<b>Disbursements:</b>															
4	Supplier payments	48,998	-	-	-	110,000	-	100,000	-	72,000	-	-	-	-	-	330,998
5	Payroll	35,408	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	509,908
6	Source deductions	-	-	-	-	-	30,000	-	-	30,000	-	30,000	-	30,000	-	120,000
7	GST/HST payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicle lease payments	1,787	2,831	1,787	1,164	1,787	1,164	3,454	1,164	1,787	1,164	3,454	1,164	1,787	1,164	25,660
	Equipment lease payments	769	-	-	12,756	170	-	12,756	-	168	-	12,756	-	769	-	40,142
	Office rent	-	-	-	37,825	-	-	-	37,825	-	-	-	37,825	-	-	113,475
	Utilities	576	-	1,455	3,200	576	-	1,455	3,200	576	-	1,455	3,200	576	-	16,267
	Insurance	567	-	12,292	6,900	567	-	12,292	6,431	1,036	-	12,292	6,431	1,036	-	59,844
	WSIB	-	-	3,232	-	-	-	3,232	-	-	-	3,232	-	-	-	9,696
8	Professional fees	2,500	47,250	-	22,600	22,600	79,100	22,600	22,600	22,600	79,100	22,600	22,600	22,600	22,600	411,350
	Vehicle Expense	-	3,500	-	-	-	-	3,500	-	-	-	3,500	-	-	-	10,500
	Telephone	-	-	1,200	-	-	-	1,200	-	-	-	1,200	-	-	-	3,600
	<b>Total cash out</b>	<b>90,605</b>	<b>90,081</b>	<b>56,466</b>	<b>120,945</b>	<b>172,199</b>	<b>146,764</b>	<b>196,989</b>	<b>107,720</b>	<b>164,667</b>	<b>116,764</b>	<b>126,989</b>	<b>107,720</b>	<b>93,267</b>	<b>60,264</b>	<b>1,651,442</b>
	<b>Net receipts/(expenses)</b>	<b>53,644</b>	<b>(39,402)</b>	<b>(56,466)</b>	<b>(103,477)</b>	<b>135,831</b>	<b>(141,865)</b>	<b>91,582</b>	<b>(107,720)</b>	<b>345,485</b>	<b>(116,764)</b>	<b>50,177</b>	<b>(107,720)</b>	<b>199,400</b>	<b>(60,264)</b>	<b>142,439</b>
9	DIP Loan	-	-	-	85,000	-	10,000	-	15,000	-	-	-	-	-	-	110,000
	<b>Closing balance</b>	<b>114,665</b>	<b>75,263</b>	<b>18,797</b>	<b>320</b>	<b>136,150</b>	<b>4,286</b>	<b>95,868</b>	<b>3,147</b>	<b>348,632</b>	<b>231,868</b>	<b>282,045</b>	<b>174,325</b>	<b>373,725</b>	<b>313,460</b>	<b>313,460</b>

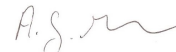
**Notes and Assumptions**

- 1 Reactor Engineering Group Ltd. o/a Harbour Technologies (the "Company") has prepared the above cash flow projection (the "Cash Flow") and the accompanying notes to the Cash Flow in support of the Notice of Intention to Make a Proposal ("NOI") that the Company filed under the Bankruptcy and Insolvency Act ("BIA") on December 16, 2025. BDO Canada Limited is the Trustee named on the NOI. The Cash Flow notes should be read in conjunction with the Report on Cash Flow Statement (Form 30 under the BIA) and with the Trustee's Report on the Cash Flow (Form 29 under the BIA).
- 2 Revenue to be collected 30 days from the date of invoice. Collection is based on historical practices in the ordinary course of business and may be subject to change. An advance on work-in-progress from a customer is expected in Week #2.
- 3 Estimated collection schedule based on invoice due date. Collection is based on historical practices in the ordinary course of business and may be subject to change.
- 4 Payments to be made to suppliers for materials.
- 5 Employees are paid on a weekly basis.
- 6 The Company is a threshold 1 remitter. Next remittance due date of February 10, 2026 will be for the payroll period of January 1-15, 2026 as the Company has a significant credit balance in its Corporation Income Tax account, a portion of which was transferred to satisfy source deductions obligations for and arrears in calendar 2025.
- 7 The Company does not anticipate any cash outflows for GST/HST payable due to the significant credit balance in its Corporation Income Tax account.
- 8 Estimated professional fees through the Cash Flow period.
- 9 Assumes receipt of DIP Loan.

Dated at Windsor, Ontario, this 23rd day of December, 2025

Reactor Engineering Group Ltd. o/a Harbour Technologies

Per:



Andrew Glover

Dated at Windsor, Ontario, this 23rd day of December, 2025

Reactor Engineering Group Ltd. o/a Harbour Technologies

Per:



David Glover

This is **Exhibit "D"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits



Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 16<sup>TH</sup> DAY  
JUSTICE RADY ) OF JANUARY, 2026

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ORDER**

**THIS MOTION**, made by Reactor Engineering Group Ltd. ("**Reactor**"), was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn January 2, 2026, including the exhibits thereto, and the First Report to the Court of BDO Canada Limited ("**BDO**") in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") dated January 7, 2026 (the "**First Report**"), and on hearing the submissions of counsel for Reactor and counsel for the Proposal Trustee, no one else appearing for although duly served as appears from the Lawyer's Certificate of Service dated January 2, 2026, filed,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

**EXTENSION OF TIME**

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Reactor is hereby extended in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) by a period of fourteen (14) days up to and including January 30, 2026.

**DIP FINANCING**

3. **THIS COURT ORDERS** that Reactor is hereby authorized and empowered, with the prior written approval of the Proposal Trustee, to borrow such funds as are required (the “**DIP Financing**”) in order to finance (a) Reactor’s working capital requirements and other general corporate purposes and capital expenditures and (b) any and all fees and expenses incurred in connection with a sale and investment solicitation process in respect of all of Reactor’s assets, undertakings, and properties, including but not limited to the professional fees and disbursements of Reactor’s counsel, the Proposal Trustee, and the Proposal Trustee’s counsel, provided that the DIP Financing shall not exceed \$110,000 unless permitted by further Order of this Court.

4. **THIS COURT ORDERS THAT** Reactor is hereby authorized and empowered to issue to a lender (a “**DIP Lender**”) certificates substantially in the form annexed as **Schedule “A”** hereto (the “**DIP Certificates**”) for any amount borrowed by way of DIP Financing and the DIP Financing shall be on the terms and subject to the conditions set forth in the DIP Certificates.

5. **THIS COURT ORDERS** that the DIP Lenders shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lenders’ Charge**”) on all of Reactor’s present and after-acquired property, assets, and undertaking of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the “**Property**”), which DIP Lenders’ Charge shall not secure an obligation that exists before this Order is made. Any DIP Financing advances and any DIP Certificates evidencing the same or any part thereof shall rank, and benefit from the DIP Lenders’ Charge, on a *pari passu* basis. The DIP Lenders’ Charge shall otherwise have the priority set out in paragraphs 14 and 16 hereof.

6. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order or the BIA:

- (a) a DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge;
- (b) upon the occurrence of an event of default under a DIP Certificate or the DIP Lenders' Charge, a DIP Lender, upon five (5) days notice to Reactor and the Proposal Trustee, may exercise any and all of its rights and remedies against Reactor or the Property under or pursuant to a DIP Certificate and the DIP Lenders' Charge, including without limitation, to cease making advances to Reactor and set off and/or consolidate any amounts owing by the DIP Lender to Reactor against the obligations of Reactor to the DIP Lender under the DIP Certificates or the DIP Lenders' Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager, or interim receiver, or for a bankruptcy order against Reactor and for the appointment of a trustee in bankruptcy of Reactor; and
- (c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver, or receiver and manager of Reactor or the Property.

7. **THIS COURT ORDERS AND DECLARES** that the DIP Lenders shall be treated as unaffected in any proposal filed by Reactor in these Proposal Proceedings or any plan of arrangement or compromise filed by Reactor under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"), with respect to any advances made under the DIP Certificates.

#### **ADMINISTRATION CHARGE**

8. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to Reactor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Reactor as part of the costs of these Proposal Proceedings. Reactor

is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to Reactor on a monthly basis.

9. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Proposal Trustee and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

10. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to Reactor shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to Reactor, both before and after the making of this Order in respect of these Proposal Proceedings. The Administration Charge shall have the priority set out in paragraphs 14 and 16 hereof.

#### **DIRECTORS' INDEMNIFICATION AND DIRECTORS' CHARGE**

11. **THIS COURT ORDERS** that Reactor shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of Reactor after the commencement of the within Proposal Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

12. **THIS COURT ORDERS** that the directors and officers of Reactor shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 11 of this Order. The Directors' Charge shall have the priority set out in paragraphs 14 and 16 hereof.

13. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) Reactor's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any

directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 11 of this Order.

**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

14. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lenders' Charge, as among them, shall be as follows:

- (a) First – Administration Charge;
- (b) Second – DIP Lenders' Charge; and
- (c) Third – Directors' Charge.

15. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge, or the DIP Lenders' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

16. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

17. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, Reactor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless Reactor also obtains the prior written consent of the Proposal Trustee, the DIP Lenders, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

18. **THIS COURT ORDERS** that the DIP Certificates and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lenders thereunder shall not otherwise be

limited or impaired in any way by: (a) the pendency of these Proposal Proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy, interim receivership or receivership order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) any application pursuant to the CCAA or any order made pursuant to such application; (e) the provisions of any federal or provincial statutes; or (f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds Reactor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration, or performance of the DIP Certificates shall create or be deemed to constitute a breach by Reactor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from (i) Reactor’s execution, delivery, perfection, registration, or performance of the DIP Certificates, or (ii) the creation of the Charges; and
- (c) the payments, if any, made by Reactor pursuant to this Order, the Certificates, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

**APPROVAL OF THE FIRST REPORT**

19. **THIS COURT ORDERS** the First Report, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved.

**SERVICE AND NOTICE**

20. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<<https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/reactor-engineering-group-ltd-o-a-harbour-technologies>>’.

21. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Rules is not practicable, Reactor and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to Reactor’s creditors or other interested parties at their respective addresses as last shown on the records of Reactor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

22. **THIS COURT ORDERS** that Reactor, the Proposal Trustee, and their respective counsel are authorized, but not obligated, to serve or distribute this Order and any other materials, orders, communication, correspondence, or other information as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to Reactor’s creditor or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of

clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

**GENERAL**

23. **THIS COURT ORDERS** that Reactor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

24. **THIS COURT ORDERS** that this Order and its effects (including the Charges) shall survive the filing by Reactor of a proposal pursuant to the terms of the BIA, the issuance of an initial order in regard to Reactor pursuant to the terms of the CCAA, or the bankruptcy of Reactor, unless this Court orders otherwise.

25. **THIS COURT ORDERS** that nothing in this Order shall prevent BDO from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of Reactor, Reactor's business, or the Property.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that Reactor and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. **THIS COURT ORDERS** that any interested party (including Reactor and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days'

notice to Reactor, the Proposal Trustee, and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

29. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.



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Schedule "A"

DIP CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Reactor Engineering Group Inc. ("Reactor") has received from the holder of this certificate (the "DIP Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$110,000 which Reactor is authorized to borrow under and pursuant to the Order of the Ontario Superior Court of Justice (the "Court") made January 13, 2026 (the "Order") in Reactor's *Bankruptcy and Insolvency Act* proposal proceedings, Estate Number 35-3311888, Court file number \_\_\_\_\_.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the first day of each month after the date hereof at a notional rate per annum equal to the prime commercial lending rate of Bank of Montreal from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by Reactor pursuant to the Order or to any further order of the Court, a charge upon the whole of the assets, undertakings and properties Reactor acquired for, or used in relation to the business carried on by Reactor, including all proceeds thereof (collectively, the "Property"), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Proposal Trustee to indemnify itself out of such Property in respect of its remuneration and expenses.

4. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by Reactor to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

5. The charge securing this certificate shall operate so as to permit Reactor to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

DATED the \_\_\_\_ day of \_\_\_\_\_, 2026.

REACTOR ENGINEERING GROUP LTD.

Per:

\_\_\_\_\_  
Name:

Title:

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

**ORDER**

(Extension of Time, Approval of DIP Financing,  
Approval of Charges, and Ancillary Relief)

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Lawyers for Reactor Engineering Group Ltd.



Superior Court of Justice / Cour supérieure de justice

Select Court Address

at 80 Dundas Street, London, ON  
(Court office address)

Endorsement/  
Inscription

Plaintiff/  
Applicant: REACTOR ENGINEERING GROUP LTD.  Present/ Comparait

Counsel/  
Avocat(e): Mr Babe for Applicant  Present/ Comparait  
Mr Marchand for BDO  
Mr DeFino (I failed to note for whom Mr DeFino appeared)

Email/  
Courriel: jlaplante@cohenhighley.com  
Mr Hartley for Wuxley  
Mr Galluchan - for International  
Customer Products

Defendant/  
Intimé(e):  Present/ Comparait

Counsel/  
Avocat(e):  Present/ Comparait

Email/  
Courriel:

16-Jan-2026

JUSTICE

Event type/ Type d'événement: Choose from the menu or enter the event type manually

- In-person/ comparution en personne
- Videoconference/ vidéoconférence
- Audioconference/ Audioconférence
- In writing/ par écrit

ENDORSEMENT/ INSCRIPTION

The applicant seeks an extension to Jan 30/26 to file a proposal. The relief sought is unopposed. The material filed amply supports the relief requested. Order to issue in accordance with draft filed & signed by me.

The application is adjourned to  
Jan 30/26.

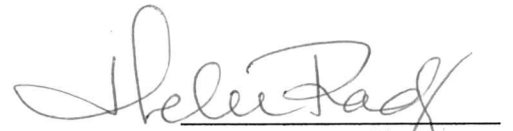
Order to go in accordance with minutes of settlement or consent filed./ Ordonnance conformément au procès-verbal de l'audience de transaction ou le consentement déposé.

Next attendance/ prochaine comparution:

- In person/ comparution en personne,
- Videoconference/ vidéoconférence,
- Audioconference/ audioconférence
- Interpreter required/ interprète nécessaire :

Additional details, if any/ Détails supplémentaires, le cas échéant:

*Click or tap here to enter text.*

  
 \_\_\_\_\_  
 Signature

This is **Exhibit "E"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits



Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 30<sup>TH</sup> DAY  
 )  
JUSTICE MITCHELL ) OF JANUARY, 2026

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ORDER**  
**(SISP Approval)**

**THIS MOTION**, made by Reactor Engineering Group Ltd. (“**Reactor**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) for an order, among other things, approving the SISP (as defined herein) in respect of the Property (as defined herein) of Reactor, was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn January 23, 2026 (the “**Second Glover Affidavit**”), including the exhibits thereto, the Supplemental Affidavit of Andrew Glover sworn January 29, 2026, including the exhibits thereto, and the Second Report to the Court of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) dated January 27, 2026, and on hearing the submissions of counsel for Reactor, counsel for the Proposal Trustee, counsel for Woolly Mammoth Outerwear Inc. and counsel for International Customer Products Inc., and such other counsel who were present, and no one else appearing for although duly served as appears from the affidavit of service of Mariela Adriana Gasparini sworn January 23, 2026, filed,

## **SERVICE AND INTERPRETATION**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Second Glover Affidavit.

## **APPROVAL OF THE SISP**

3. **THIS COURT ORDERS** that the sale and investment solicitation process, including its auction procedures, in the form set out in Schedule “A” to this Order (the “**SISP**”) in respect of all of the assets, undertakings and properties (collectively, the “**Property**”) and/or business (the “**Business**”) of Reactor be and is hereby approved. The Proposal Trustee and BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”) are authorized and directed to take such steps as they deem necessary or desirable to carry out and perform their obligations under the SISP and to take such steps and execute such documentation as may be necessary or incidental to the SISP, provided that any definitive agreement to be executed by Reactor in respect of the sale of all or part of the Property or the Business shall require further approval of this Court.

4. **THIS COURT ORDERS** that any step taken by the Proposal Trustee or the SISP Advisor in connection with the SISP prior to the date of this Order is approved and ratified.

5. **THIS COURT ORDERS** that the Proposal Trustee, Reactor and the SISP Advisor and their respective assistants, affiliates, partners, employees, representatives, legal counsel and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct in performing their obligations under the SISP as determined by this Court in a final order that is not subject to appeal or other review.

6. **THIS COURT ORDERS** that, in overseeing and conducting the SISP, the Proposal Trustee and the SISP Advisor shall have all of the benefits and protections granted to it under the BIA and any Order of this Court in the within proceeding.

#### **STALKING HORSE AGREEMENT**

7. **THIS COURT ORDERS** that Reactor is hereby authorized and empowered, *nunc pro tunc*, with such minor amendments as may be acceptable to each of the parties thereto, and approved by the Proposal Trustee, to execute, deliver, and enter into the amended stalking horse asset purchase agreement dated January 29, 2026 (the “**Stalking Horse Agreement**”) between the Reactor and ATMIS Protective Equipment Inc. (in such capacity, the “**Stalking Horse Bidder**”) substantially in the form attached as Exhibit “F” to the Second Glover Affidavit. For greater certainty, the Stalking Horse Agreement is approved only as the Stalking Horse Bid (as defined in the Stalking Horse Agreement) and the approval of any transaction in respect of the Property and/or the Business shall be considered by this Court on a subsequent motion made to this Court.

8. **THIS COURT ORDERS** that the Break Fee (as defined in the Stalking Horse Agreement) is approved and, in the event the Stalking Horse Bidder is not the Successful Bidder (as defined in the SISP), Reactor is authorized and directed to pay the Break Fee to the Stalking Horse Bidder subject to and in accordance with the terms of the Stalking Horse Agreement.

#### **PIPEDA**

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, and any similar legislation in any other applicable jurisdictions, the Proposal Trustee and the SISP Advisor are authorized and permitted to disclose and transfer to each potential bidder that has executed an NDA (the “**Bidders**”), and their respective advisors, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in Reactor’s records pertaining to its past and current employees, but only to the extent desirable or required to negotiate or attempt to complete one or more transactions pursuant to the SISP (each, a “**Transaction**”). Each Bidder to whom such personal information is disclosed shall maintain

and protect the privacy of such information and limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall return all such information to the Proposal Trustee and the SISP Advisor, or in the alternative destroy all such information. The Successful Bidder(s) (as defined in the SISP) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s) (as defined in the SISP), shall be entitled to use the personal information provided to it that is related to the property and/or business acquired pursuant to the Transaction in a manner which is in all material respects identical to the prior use of such information by Reactor, and shall return all other personal information to the Proposal Trustee and the SIPS Advisor, or ensure that all other personal information is destroyed.

#### **EXTENSION OF ADMINISTRATION CHARGE**

10. **THIS COURT ORDERS** that the SISP Advisor is entitled to the benefit of the Administration Charge created by the Order of The Honourable Madam Justice Rady dated January 16, 2026, as security for the SISP Advisor's professional fees and disbursements incurred at the standard rates and charges of the SISP Advisor.

#### **GENERAL**

11. **THIS COURT ORDERS** that Reactor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.

*Justice A.K. Mitchell*

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JUSTICE A. K. MITCHELL

## SCHEDULE “A”

### SALE PROCESS Reactor Engineering Group

#### INTRODUCTION

On December 16, 2025, Reactor Engineering Group Ltd. o/a Harbour Technologies (“**Harbour Technologies**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”, and the proceedings, the “**NOI Proceedings**”). BDO Canada Limited, a licensed insolvency trustee, was appointed as proposal trustee (the “**Proposal Trustee**”) under the NOI Proceedings.

On or about January 30, 2026, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Sale Process Order**”) which approved, among other things:

- the Sale Process (the “**Sale Process**”) for the marketing and sale of the Company’s business and assets (the “**Property**”);
- the engagement of BDO Canada Transaction Advisory as sales agent (the “**Sales Agent**”) to assist the Proposal Trustee with carrying out the Sale Process;
- the Company entering into an stalking horse asset purchase agreement (the “**Stalking Horse Agreement**”) between the Company, as vendor, and ATMIS Protective Equipment Inc., as purchaser (in such capacity, the “**Stalking Horse Bidder**”), pursuant to which the Stalking Horse Bidder will make an offer to purchase the Property; and (ii) act as a stalking horse bidder in the Court-supervised Sale Process in the NOI Proceedings; and
- the Proposal Trustee, with the assistance of the Company’s management team and the Sales Agent, to undertake the Sale Process.

The Sale Process herein sets out the manner in which: (a) binding offers for executable transactions involving all or substantially all, or any portion, of the Property will be solicited from interested parties; (b) any such offers received will be evaluated; (c) any Successful Bid (as defined below) will be selected and (d) Court approval of any Successful Bid will be sought.

The Sale Process will be conducted by the Sales Agent and the Proposal Trustee in the manner set forth herein and in accordance with the Sale Process Order. In the event there is a disagreement as to the interpretation or application of the Sale Process, the Court will have exclusive jurisdiction to hear and resolve such dispute.

The Proposal Trustee will post on the Proposal Trustee’s website, any modification, amendment, variation or supplement to the Sale Process and inform the bidders impacted by such modification, amendment, variation or supplement.

In the Sale Process, (i) “**Business Day**” means any day (other than Saturday or Sunday) that banks are open for business in Toronto, Ontario. If any deadline date referred to in the Sale Process falls on a day that is not a Business Day, then such date shall be extended until the next Business Day; and (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase, “without limitation”.

#### THE OPPORTUNITY

The Sale Process is intended to solicit interest in, and opportunities for a sale of all or substantially all or part of the Property as a going concern or otherwise, or some combination thereof (each, a “Transaction”).

The Sale Process Order, the procedures in respect of the Sale Process as contained herein (the “Sale Process Procedures”) and any subsequent orders issued by the Court pertaining to the Sale Process Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

The purpose of the Sale Process Procedures is to determine whether a better Transaction than the transaction contemplated by the Stalking Horse Agreement may be obtained by the Proposal Trustee in a formal marketing process approved by the Court.

The Sale Process contemplates a one stage process that involves the submission by interested parties of binding offers by the Bid Deadline (as defined below).

#### “AS IS, WHERE IS”

The sale of any Property or assets under the Stalking Horse Agreement or any Transaction to any party other than the Stalking Horse Bidder will be on an “*as is, where is*” basis and without surviving representations or warranties, covenants or indemnities of any kind, nature, or description by the Company, the Sales Agent, the Proposal Trustee, or any of their respective agents, advisors or representatives, and all of the right, title and interest of the Company in and to the Property to be acquired, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to a Court order, except as otherwise provided in such Court order.

#### TIMELINE

The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Commencement of Sale Process	January 30, 2026
Distribution of the Notice	Within five (5) Business Days of issuance of Sale Process Order
Distribution of Teaser Letter and Marketing Materials	Within two (2) Business Days of issuance of Sale Process Order
Bid Deadline	March 12, 2026
Auction Date (if necessary)	No later than March 17, 2026
Sale Approval Hearing	No later than March 31, 2026

The dates set out in the Sale Process may be revised or extended by the Proposal Trustee in its sole discretion.

#### SOLICITATION OF INTEREST

As soon as reasonably practicable:

1. the Sales Agent, with the approval of the Proposal Trustee, will prepare a list of potential bidders, including: (i) parties that have approached the Proposal Trustee or the Sales Agent indicating an interest in the opportunity; (ii) any parties provided by the

Company and/or its advisors; and (iii) domestic and international strategic and financial parties who the Proposal Trustee believes may be interested in purchasing all or part of the Property (collectively, “**Known Potential Bidders**”);

2. the Proposal Trustee will arrange for a notice of the Sale Process (and such other relevant information which the Proposal Trustee considers appropriate) (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and any other newspaper or journal as the Proposal Trustee considers appropriate, if any, as soon as possible and by no later than five (5) Business Days after issuance of the Sale Process Order; and
3. the Sales Agent, with the approval of the Proposal Trustee, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the Sale Process Procedures and inviting recipients of the Teaser Letter to express their interest pursuant to the Sale Process; and (ii) a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee (the “**NDA**”).

As soon as possible, and by no later than five (5) Business Days after issuance of the Sale Process Order, the Proposal Trustee will publish the Notice and by no later than two (2) Business Days after issuance of the Sale Process Order, the Sales Agent will send the Teaser Letter and the NDA to all Known Potential Bidders and to any other party who requests a copy of the Teaser Letter and the NDA or who is identified to the Proposal Trustee or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

## INTERESTED PARTIES

### *Delivery of Confidential Information Package*

Any party who wishes to participate in the Sale Process must provide to the Sales Agent, unless the Proposal Trustee or the Sales Agent confirms to such potential bidder that the below documents are already available to the Proposal Trustee, the following:

1. the NDA executed by it and a letter setting forth the identity of the potential bidder, the contact information for such potential bidder and full disclosure of the direct and indirect principals of the potential bidder; and
2. where the Proposal Trustee deems appropriate, evidence of registration under the Controlled Goods Program and such form of financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the potential bidder’s financial and other capabilities to consummate a Transaction.

If the Proposal Trustee determines, exercising its reasonable business judgment, that a bidder has: (i) delivered the documents contemplated in the immediately preceding paragraph; and (ii) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a Transaction pursuant to the Sale Process, then such bidder shall be deemed to be a “**Qualified Bidder.**” For greater certainty, no bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee.

At any time during the Sale Process, the Proposal Trustee may, in its reasonable business judgment, eliminate a Qualified Bidder from the Sale Process, in which case such Qualified Bidder will be eliminated from the Sale Process and will no longer be a Qualified Bidder for the purposes of the Sale Process.

The Sales Agent, with the approval of the Proposal Trustee, will prepare and share with each Qualified Bidder a confidential information package providing additional information considered relevant to the potential Transaction (the “**Confidential Information Package**”).

The Proposal Trustee and its advisors make no representation or warranty as to the completeness and accuracy of the information contained in the Confidential Information Package or otherwise made available pursuant to the Sale Process, except to the extent expressly contemplated in any definitive sale agreement with a Successful Bidder ultimately executed and delivered by the Proposal Trustee. None of the Sales Agent, the Proposal Trustee or the Company is responsible for, and will bear no liability with respect to, any information provided and obtained by any party in connection with the Company or the sale of the Property.

Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property in connection with their participation in the Sale Process and any Transaction they enter into with the Proposal Trustee.

### ***Due Diligence***

The Sales Agent, with the approval of the Proposal Trustee, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property as they reasonably request. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Proposal Trustee in its reasonable business judgment may agree.

The Proposal Trustee will designate a representative to coordinate all reasonable requests for additional information and due diligence access from a Qualified Bidder and the manner in which such requests must be communicated. None of the Sales Agent, the Proposal Trustee or the Company will be obligated to furnish any information relating to the Property to any person other than to Qualified Bidder. Further, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Proposal Trustee determines such information to represent proprietary or sensitive competitive information.

### **SUPERIOR BIDS**

A “**Superior Bid**” means a credible, reasonably certain and financially viable Qualified Bid (defined below), the terms of which are, in the determination of the Proposal Trustee and its Sales Agent acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which at a minimum includes a payment of the Purchase Price (as defined in the Stalking Horse Agreement plus a minimum additional amount of \$50,000.

### **QUALIFIED BIDS**

Qualified Bidders that wish to make a formal offer to purchase the Property or a portion thereof shall submit a binding offer (a “**Bid**”) on substantially the same terms and conditions as the terms and conditions contained in the Stalking Horse Agreement. In order to be considered a “**Qualified Bid**”, a Bid must meet the following minimum criteria:

1. the Bid must be received by the Proposal Trustee at the address specified in Schedule “**A**” hereto (including by email), so as to be received by the Proposal Trustee no later than 5:00 PM (Eastern Time) on March 12, 2026 (the “**Bid Deadline**”);
2. the Qualified Bidder and the representatives thereof who are authorized to act on the Qualified Bidder’s behalf must be sufficiently identified;
3. the Bid must be submitted in writing and include a blackline of the offer to the Stalking Horse Agreement, reflecting the Qualified Bidder’s proposed changes;

4. the Bid must be accompanied by a deposit by way of certified cheque or wire transfer, in an amount equal to at least 10% of the aggregate purchase price payable under the Bid;
5. the Bid must be open for acceptance by the Proposal Trustee until approval by the Court of the execution by the Qualified Bidder and the Proposal Trustee of an agreement of purchase and sale in respect of the purchased assets subject to the Bid;
6. the Bid must be on terms no less favourable and no more burdensome or conditional than the Stalking Horse Agreement;
7. the Bid must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Stalking Horse Agreement;
8. the Bid must include a description of those liabilities and obligations (including operating liabilities) which the Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;
9. the Bid must be accompanied by written evidence of a commitment for financing or other evidence of the Qualified Bidder's ability to consummate the transaction contemplated by the Bid;
10. the Bid must be for a purchase price equal to or greater than the sum of the Purchase Price (as defined in the Stalking Horse Agreement) plus a minimum additional amount of \$50,000;
11. the Bid must be irrevocable until approval by the Court of the execution by the Qualified Bidder and the Proposal Trustee of an agreement of purchase and sale in respect of the purchased assets subject to the Bid;
12. the Bid constitutes, in the reasonable business judgment of the Proposal Trustee, a Bid; and
13. the Bid contemplates closing the Transaction set out therein on or before the outside closing date of no later than April 15, 2026.

The Transaction contemplated by the Stalking Horse Agreement shall be deemed to be a Qualified Bid.

The Proposal Trustee may aggregate separate Bids from Bidders to create one Qualified Bid.

The Proposal Trustee may waive strict compliance with any one or more of the non-material foregoing requirements and deem any such non-compliant bid to be a Qualified Bid.

## **SELECTION OF SUCCESSFUL BIDDERS**

Following the Bid Deadline, the Proposal Trustee will assess the Bids received in consultation with the Sales Agent. The Proposal Trustee shall approve the disqualification of any Bids that are deemed not to be Qualified Bids. Only bidders whose Bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

The Proposal Trustee shall notify each bidder in writing as to whether its Bid constituted a Qualified Bid within four (4) Business Days following the Bid Deadline, or at such later time as the Proposal Trustee deems appropriate, in consultation with the Sales Agent.

If no Qualified Bids (either individually or in the aggregate) other than the Stalking Horse Agreement have been received by the Bid Deadline, then the Proposal Trustee, with the consent of the Stalking Horse Bidder, may consider an extension of the Bid Deadline for up to seven (7) Business Days to allow any party that submitted a Bid to consult with the Proposal Trustee and to revise such Bid such that it would provide for, or that might reasonably be expected to provide for, a Superior Bid.

### ***Evaluation of Competing Bids***

A Qualified Bid will be evaluated upon many factors, including, without limitation, items such as:

1. the Purchase Price and the net value provided by such Qualified Bid;
2. the identity, circumstances and ability of the Qualified Bidder to successfully complete such Transaction;
3. the proposed Transaction documents;
4. factors affecting the speed, certainty and value of the Transaction;
5. the assets included or excluded from the Bid;
6. the liabilities to be assumed in the Transaction;
7. the likelihood and timing of consummating such Transaction; and
8. whether the Transaction results in a Superior Bid.

Each, as determined by the Proposal Trustee, in consultation with the Sales Agent.

### ***Selection of Successful Bid***

The Proposal Trustee shall, in consultation with the Sales Agent:

1. first, review and evaluate each Qualified Bid, provided that the Proposal Trustee may contact any Qualified Bidder to clarify the terms of any Bid, and the applicable Qualified Bidder may amend, modify or vary such Bid for the purpose of clarification;
2. second, identify if any Qualified Bid is a Superior Bid; and
3. third, if one or more Qualified Bids are considered to be Superior Bid, those Qualified Bidders presenting a Superior Bid shall proceed to an auction with the Stalking Horse Bidder to be held on or before March 17, 2026 (the "Auction"), which Auction shall will be conducted and administered by the Proposal Trustee in accordance with the terms of this SISP proceed according to the Auction Procedures set out in **Schedule "B"** to this Sale

Process to identify the Successful Bid. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Bidders not less than 24 hours prior to the Auction.

The Proposal Trustee will review and evaluate each Superior Bid, if any, and: (a) may identify the highest or otherwise best offer for the Property (the “**Successful Bid**” or “**Successful Bidder**”); or (b) if no Superior Bid is received by the Bid Deadline, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The determination of any Successful Bid by the Proposal Trustee shall be subject to approval by the Court.

### ***Sale Approval Motion Hearing***

At the hearing of the motion to approve any Transaction with a Successful Bidder (the “**Sale Approval Hearing**”), the Proposal Trustee shall seek, among other things, approval from the Court to consummate the Successful Bid. All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Proposal Trustee on and as of the date of approval of the Successful Bid by the Court.

### **DEPOSIT**

All deposits shall be held by the Proposal Trustee in a single non-interest bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the Transaction contemplated by the Successful Bid. Deposits paid by bidders not selected as the Successful Bidder shall be returned to such bidder within three (3) Business Day of Court approval of the Successful Bid.

### **CONFIDENTIALITY AND ACCESS TO INFORMATION**

All discussions regarding a Transaction, Bid or Successful Bid should be directed through the Sales Agent. Under no circumstances, should the management of Company or its customers be contacted directly without the prior written consent of the Sales Agent or the Proposal Trustee. Any such unauthorized contact or communication could result in exclusion of the interested party from the Sale Process at the discretion of the Proposal Trustee.

Participants and prospective participants in the Sale Process shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Known Potential Bidders, Qualified Bidders, or Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee and such other Known Potential Bidders or Qualified Bidders in connection with the Sale Process.

Notwithstanding the foregoing, under no circumstances will the Sales Agent or the Proposal Trustee share any material information concerning any of the Bids with any person other than the Company.

### **SUPERVISION OF THE SALE PROCESS**

The Sales Agent shall conduct the Sale Process, with the oversight of the Proposal Trustee in the manner set out in the Sale Process Procedures and is entitled to receive all information in relation to the Sale Process.

The Sale Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Sales Agent or the Proposal Trustee or the Company and any Qualified Bidder, Known Potential Bidder, or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Proposal Trustee.

Without limiting the preceding paragraph, the Sales Agent and the Proposal Trustee shall not have any liability whatsoever to any person or party, including, without limitation, any Qualified Bidder, Known Potential Bidder, the Successful Bidder, the Company or any creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the Sale Process Procedures, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Sales Agent or the Proposal Trustee. By submitting a Bid, each Known Potential Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent or the Proposal Trustee in respect of the Sale Process for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Sales Agent or the Proposal Trustee.

Participants in the Sale Process are solely responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.

Notwithstanding the process and deadlines outlined above with respect to the Sale Process, with the prior consent of the DIP Lender (as defined in the First Report of the Proposal Trustee dated January 7, 2026), the Sales Agent and the Proposal Trustee may at any time: (i) pause, terminate, amend or modify the Sale Process; (ii) remove any portion of the Property from the Sale Process; (iii) bring a motion to the Court to seek approval of a sale of all or part of the Property or the Company, whether or not such sale is in accordance with the terms or timelines set out in the Sale Process Procedures; and (iv) establish further or other procedures for the Sale Process, provided that Qualified Bidders and Known Potential Bidders shall be advised of any substantive modification to the procedures set forth herein.

**Schedule “A”**

**Address of Proposal Trustee, Proposal Trustee’s Counsel and Sales Agent**

**BDO Canada Limited**  
20 Wellington Street East, Suite 500  
Toronto, ON M5E 1C5

Attention: Matthew Marchand and Martin Chan  
Email: [mmarchand@bdo.ca](mailto:mmarchand@bdo.ca)  
[mchan@bdo.ca](mailto:mchan@bdo.ca)

with copies to:

**Aird & Berlis LLP**  
Brookfield Place, 181 Bay St. #1800  
Toronto, ON M5J 2T9

Attention: Kyle Plunkett and Cristian Delfino  
Email: [kplunkett@airdberlis.com](mailto:kplunkett@airdberlis.com)  
[cdelfino@airdberlis.com](mailto:cdelfino@airdberlis.com)

and to:

**BDO Canada Transaction Advisory**  
222 Bay Street, Suite 2200  
Toronto, ON M5K 1H6

Attention: Michael Morrow and Salman Virani  
Email: [mmorrow@bdo.ca](mailto:mmorrow@bdo.ca)  
[svirani@bdo.ca](mailto:svirani@bdo.ca)

## Schedule "B"

### AUCTION PROCEDURES

1. On or before March 16, 2026, the Proposal Trustee will confirm those Qualified Bidders who submitted a Qualified Bid that they will be invited to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Stalking Horse Bidder and each Qualified Bidder shall be eligible to attend at the Auction and make any Subsequent Bid (as defined below) at the Auction.
3. All Qualified Bidders and the Stalking Horse Bidder at the Auction must have at least one individual representative with authority to bind such Qualified Bidders and the Stalking Horse Bidder present at the Auction.
4. The Auction, if any, shall be conducted by the Proposal Trustee, on or before March 17, 2026 at 10:00 a.m. (Eastern Time) via video conference.
5. Each Qualified Bidder participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid. For greater certainty, communications between the Stalking Horse Bidder and the Proposal Trustee with respect to and in preparation of the Stalking Horse Agreement, if one is submitted and approved by the Court prior to the commencement of the SISP will not represent collusion or communications prohibited by this paragraph.
6. At the Auction, all Qualified Bidders and the Stalking Horse Bidder shall be permitted to increase their Qualified Bids and the bid contemplated by the Stalking Horse Agreement in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during the Auction shall be made and received via video conference on an open basis. All participating Qualified Bidders and the Stalking Horse Bidder shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and the Stalking Horse Bidder and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the Stalking Horse Bidder and all other participating Qualified Bidders throughout the entire Auction.
7. The Auction shall be recorded by the Proposal Trustee for its exclusive use and shall not be recorded by any other party.
8. At least one (1) Business Day(s) prior to the Auction, the Proposal Trustee will advise the Stalking Horse Bidder and all other Qualified Bidders which of the Qualified Bidders or the Stalking Horse Bidder the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, constitutes the then highest or otherwise best offer Transaction (the "**Starting Bid**").
9. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder or the Stalking Horse Bidder that: (i) improves upon such Qualified Bidder's immediately prior Superior Bid or the bid contemplated by the Stalking Horse Agreement, as the case may be, and meets the overbid requirement set forth in paragraphs 10 and 11 below; and (ii) the Proposal Trustee determines, in its reasonable business judgment, after consultation with its advisors, such Subsequent Bid is a higher or otherwise better offer than the then current leading Superior Bid.
10. Bidding at the Auction shall be in minimum cash increments of \$25,000 and shall continue until such time as the highest and best bid is determined by the Proposal Trustee's reasonable business judgment after consultation with its advisors. For the purpose of evaluating the value of the consideration provided by each Bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will: (i) be deemed to be the net consideration payable to the Proposal Trustee; and (ii) take into account any additional liabilities of the

- Company to be assumed by a Qualified Bidder.
11. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Subsequent Bid that the Proposal Trustee has determined, in its reasonable business judgment, after consultation with its advisors, to be the then highest or best bid (the “**Leading Bid**”). A round of bidding will conclude after each participating Qualified Bidders and the Stalking Horse Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.
  12. If no Qualified Bidder or the Stalking Horse Bidder submits a Subsequent Bid (as determined by the Proposal Trustee) after a period of 15 minutes following the Proposal Trustee’s acceptance of a Subsequent Bid as the Leading Bid, and the Proposal Trustee chooses not to adjourn the Auction further, the Proposal Trustee shall enter into a binding agreement of purchase and sale substantially on the same terms as the Superior Bid or the Stalking Horse Agreement (as the case may be), as amended by the Leading Bid, with the Qualified Bidder or the Stalking Horse Bidder (the Successful Bidder) that submitted the highest and best Bid as determined by the Proposal Trustee, whereupon the Auction will be concluded.
  13. No bids will be considered for any purpose after the Auction has concluded.
  14. At the Auction, the Proposal Trustee, after consultation with its advisors, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; provided, however, that such rules are: (a) not inconsistent with the Auction procedures set forth in this Schedule “B”, the BIA, any order of the Courts entered in connection with such Auction procedures; and (b) disclosed to each Qualified Bidder and the Stalking Horse Bidder at the Auction.

Court File No.: CV-26-00035949-000T  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

---

**ORDER**  
(SISP Approval)

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Lawyers for Reactor Engineering Group Ltd.





Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 30<sup>TH</sup> DAY  
 )  
JUSTICE MITCHELL ) OF JANUARY, 2026

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ANCILLARY ORDER**

**THIS MOTION**, made by Reactor Engineering Group Ltd. ("**Reactor**"), was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn January 23, 2026, including the exhibits thereto (the "**Second Glover Affidavit**"), the Supplemental Affidavit of Andrew Glover sworn January 29, 2026, including the exhibits thereto, and the Second Report to the Court of BDO Canada Limited ("**BDO**") in its capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") dated January 27, 2026 (the "**Second Report**"), and on hearing the submissions of counsel for Reactor, counsel for the Proposal Trustee, counsel to Woolly Mammoth Outerwear Inc. and counsel to International Customer Products Inc., and such other counsel who were present, and no one else appearing for although duly served as appears from the affidavit of service of Mariela Adriana Gasparini sworn January 23, 2026, filed,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### **EXTENSION OF TIME**

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Reactor is hereby extended in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) by a period of forty-five (45) days up to and including March 16, 2026.

#### **APPROVAL OF THE SECOND REPORT**

3. **THIS COURT ORDERS** the Second Report, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

#### **APPROVAL OF INTIAL ADVANCES**

4. **THIS COURT ORDERS** that Secured Grid Promissory Note made January 7, 2026 by Reactor in favour of ATMIS Protective Equipment Inc. and the Initial Advances (as such term is defined in the Second Glover Affidavit) made pursuant thereto, be and are hereby approved.

5. **THIS COURT ORDERS** that the grant of security in the Secured Grid Promissory Note is valid under section 97(1) of the BIA, is not a transfer at undervalue, does not have the effect of giving the DIP Lender a preference and shall not be void as against any trustee in bankruptcy under sections 95(1) or 96(1) of the BIA.

#### **FEE APPROVAL**

6. **THIS COURT ORDERS** that the fees and disbursements of (i) the Proposal Trustee, up to and including January 16, 2026, and (ii) the Proposal Trustee’s legal counsel, Aird & Berlis LLP, up to and including January 15, 2026, as set out in the Second Report and as more particularized in the Fee Affidavits (as defined in the Second Report) appended thereto, be and are hereby approved.

**GENERAL**

7. **THIS COURT ORDERS** that Reactor or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

8. **THIS COURT ORDERS** that nothing in this Order shall prevent BDO from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of Reactor, Reactor's business, or the Property.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that Reactor and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

11. **THIS COURT ORDERS** that any interested party (including Reactor and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to Reactor, the Proposal Trustee, and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

12. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.

*Justice A.K. Mitchell*

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JUSTICE A. K. MITCHELL

Court File No.: CV-26-00035949-000T  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

---

**ORDER**

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Lawyers for Reactor Engineering Group Ltd.



ONTARIO

Superior Court of Justice / Cour supérieure de justice

Select Court Address

Court File Number/
Numéro de dossier du greffe
CV-26-00035949-000T

at 80 Dundas Street, London, ON
(Court office address)

Endorsement/
Inscription

Plaintiff/
Applicant: REACTOR ENGINEERING GROUP LTD. [ ] Present/ Comparait
Counsel/
Avocat(e): Sam Babe [X] Present/ Comparait
Email/
Courriel:

Defendant/
Respondent: See attendances below. [ ] Present/ Comparait
Counsel/
Avocat(e): [ ] Present/ Comparait
Email/
Courriel:

30-Jan-2026

JUSTICE
A. K. MITCHELL

Event type/ Type d'événement: Choose from the menu or enter the event type manually

- [ ] In-person/ comparution en personne
[X] Videoconference/ vidéoconférence
[ ] Audioconference/ Audioconférence
[ ] In writing/ par écrit

ENDORSEMENT/ INSCRIPTION

S. Babe – counsel for Reactor Engineering Group Ltd.
K. Plunkett and C. Delfino – counsel for the Proposal Trustee, BDO Canada Limited
M. Marchand – representative of BDO
J. Harris – counsel for Woolly Mammoth Outerwear Inc. o/a Wuxly Movement
J. Gallichan – counsel for International Customer Products Inc.

Reactor brings this motion seeking, inter alia, an order:

- 1. authorizing Reactor to undertake a sale and investment solicitation process in respect of all of its assets;
2. approving the "stalking horse" asset purchase agreement dated January 23, 2026;

3. extending the benefit of the Administration Charge granted pursuant to the January 16<sup>th</sup> order to the fees of the transaction advisor;
4. extending the time to file a proposal to March 16, 2026;
5. approving the second report of the proposal trustee;
6. approving the fees and disbursements of the proposal trustee and its counsel;
7. approving an engagement letter between reactor and its SRED claim advisors and granting them a priority charge for their fees;
8. approving certain secured advances made by the DIP Lender prior to the proposal proceedings.

This motion is unopposed (supported by the proposal trustee) subject to the rights of Wuxley to challenge the superiority of the “stalking horse” transaction relative to a liquidation of Reactor’s assets in bankruptcy upon its review of a liquidation analysis once received.

I find that the proposed “stalking horse” transaction and sale process are in the best interests of the stakeholders of Reactor based on the evidence reviewed (as contained in the second report of the proposal trustee) and summarized by Reactor’s counsel in their submissions. Furthermore, the ancillary relief is appropriate and is hereby approved.

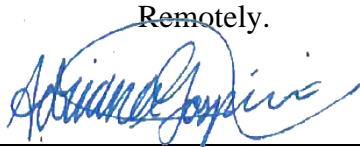
Orders signed in the draft forms provided.



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Justice A. K. Mitchell

This is **Exhibit "F"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



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Mariela Adriana Gasparini  
A Commissioner for taking affidavits

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**AFFIDAVIT OF ANDREW GLOVER  
(Sworn January 23, 2026)**

I, **ANDREW GLOVER**, of the Town of Amherstburg, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am a director and the Chief Executive Officer of Reactor Engineering Group Ltd. (“**Reactor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases, I believe that information to be true.
2. I make this affidavit in support of a motion by Reactor for the following two Orders:
  - a. an order (the “**SISP Approval Order**”), among other things:
    - i. approving a sale and investment solicitation process including auction procedures (the “**SISP**”);
    - ii. approving the Stalking Horse Asset Purchase Agreement executed by Reactor and ATMIS Protective Equipment Inc. (“**ATMIS**” and, in such capacity, the “**Stalking Horse Bidder**”) dated January 23, 2026 (the “**Stalking Horse Agreement**”) solely for purposes of serving the role as stalking horse in the SISP;
    - iii. authorizing and directing Reactor to pay the Stalking Horse Bidder the

Break Fee (as defined in the Stalking Horse Agreement), in the amount of \$75,000, if a superior transaction is identified pursuant to the SISP; and

iv. extending the benefit of the Administration Charge created by the Order of the Honourable Justice Rady dated January 16, 2026 (the “**January 16 Order**”) to the BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”); and

b. an order (the “**Ancillary Order**”), among other things:

i. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by forty-five (45) days up to and including March 16, 2026, pursuant to subsection 50.4(9) of the *BIA*;

ii. approving the Second Report of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), to be filed (the “**Second Report**”), and the Proposal Trustee’s activities set out therein;

iii. approving the professional fees and disbursements of the Proposal Trustee and its counsel, Aird & Berlis LLP, as set out in the fees affidavits to be filed with the Court;

iv. approving the Engagement Letter dated as of January 23, 2026 (the “**Engagement Letter**”) between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”) for preparation of Reactor’s Scientific Research and Experimental Development Tax Credit Program claims for each of the fiscal years ending February 28, 2025 and February 28, 2026 (collectively, the “**SRED Claims**”);

v. subordination the DIP Lenders’ Charge and the Directors’ Charge

created by the January 16 Order to the security granted to Pinnacle under the Engagement Letter; and

- vi. approving certain secured advances made by ATMIS, in its capacity as debtor-in-possession lender (in such capacity, the “**DIP Lender**”), during the Proposal Proceedings prior to the January 16 Order (the “**Initial Advances**”), in accordance with Reactor’s fourteen-week cash flow forecast (the “**Initial Cash Flow**”), filed with the Office of the Superintendent of Bankruptcy (the “**OSB**”).

## **A. BACKGROUND**

3. Reactor is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) that operates a third-generation Canadian, family-owned engineering and manufacturing business operating in Windsor, Ontario. With over approximately 50 years of operations, Reactor has historically specialized in the development of custom machine tools, high-tolerance tools, machining, and assembled components for the nuclear, oil and gas, aerospace, and automotive industries. Reactor does business under the trade name “Harbour Technologies”.
4. Reactor is owned by myself and my brother, David Glover (collectively, the “**Glovers**”).
5. Reactor operates from three leased manufacturing facilities located at 2545 and 2557 Doty Place, Windsor, Ontario (collectively, the “**Windsor Facilities**”) and 830 Richmond Street, Chatham, Ontario (the “**Chatham Facility**”).
6. Reactor maintains a staff of thirty-four (34) full-time employees.
7. Apart from beneficiaries of charges established either by the January 16 Order or by statute, Reactor has no secured creditors other than: (i) equipment lessors and financiers; and (ii) the DIP Lender in respect of the contractually secured Initial Advances.
8. Due to an ill-fated venture into personal protective equipment (“**PPE**”) gown manufacturing for the federal government during the COVID-19 pandemic, Reactor is now embroiled in an arbitration and two actions before the Ontario Superior Court of Justice

(the “**Court**”) involving Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“**Wuxly**”) and International Customer Products Inc. (“**ICP**”). As a result of these proceedings, Reactor faces a claim by Wuxly in the approximate amount of \$24.5 million and a claim by ICP in the approximate amount of \$1.7 million (collectively, the “**Litigation Claims**”).

9. Since the failure of its foray into PPE manufacturing and supply, Reactor has refocused on its core, historical business, which remains profitable. However, any material success by Wuxly and/or ICP in respect of the Litigation Claims would cripple Reactor. Even the cost of responding to the Litigation Claims has placed tremendous strain on Reactor’s resources.
10. On December 17, 2025, Reactor commenced the Proposal Proceedings by filing a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the *BIA* (the “**NOI**”). Attached hereto as **Exhibit “A”** is a true copy of the NOI, along with the certificate of filing as received from the OSB.
11. With the assistance of the Proposal Trustee, Reactor produced the Initial Cash Flow which the Proposal Trustee filed with the OSB on December 23, 2025, as required by the *BIA*. Attached hereto as **Exhibit “B”** is a true copy of the Initial Cash Flow.
12. The Honourable Justice Rady made the January 16 Order, among other things:
  - a. extending the time for filing of a proposal by Reactor up to January 30, 2026;
  - b. approving debtor-in-possession financing in the maximum principal amount of \$110,000, to be drawn in accordance with borrowing certificates (the “**DIP Financing**”);
  - c. creating a charge securing obligations under the DIP Financing (the “**DIP Lenders’ Charge**”);
  - d. creating a charge in favour of the Proposal Trustee, counsel to the Proposal Trustee, if any, and counsel to Reactor in the maximum aggregate amount of \$400,000, as security for their professional fees and disbursements (the “**Administration Charge**”); and

- e. indemnifying Reactor's officers and directors against obligations and liabilities incurred during the Proposal Proceedings and securing such indemnity with a charge in the maximum amount of \$100,000 (the "**Directors' Charge**").

Attached hereto, collectively, as **Exhibit "C"** are true copies of the January 16 Order and the accompanying Endorsement of Justice Rady.

13. In its capacity as DIP Lender, ATMIS is providing the DIP Financing.
14. Further background on Reactor, its business and its financial difficulties can be found in my affidavit sworn January 2, 2026 (the "**First Glover Affidavit**"). Attached hereto as **Exhibit "D"** is a true copy of the First Glover Affidavit, without its exhibits.

## **B. SISP AND STALKING HORSE AGREEMENT**

15. Reactor wishes to commence the SISP and, subsequently, conduct an auction, if necessary. The SISP was developed by the Proposal Trustee and the SISP Advisor, with input from Reactor. Attached hereto as **Exhibit "E"** is a true copy of the SISP.
16. The SISP will require qualified bids to offer a price that is greater than the Stalking Horse Agreement purchase price by at least the amount of the \$75,000 break fee (the "**Break Fee**"). Should one or more qualifying bids be received from third parties, the Stalking Horse Bidder will have the option of participating in an auction with a floor price set at the highest qualifying bid received. The minimum bid increment in such auction will be \$25,000.
17. The milestones in the SISP are as follows:
  - a. Commencement of the SISP – February 30, 2026;
  - b. Bid Deadline – February 27, 2026;
  - c. Auction – by March 3, 2026;
  - d. Approval and Vesting Order hearing – March 16, 2026; and

e. Closing of transaction – by March 31, 2026.

18. Reactor has retained the SISP Advisor to take certain preliminary steps to the SISP, including, without limitation, preparing marketing materials and establishing a data room. Once authorized by the SISP Approval Order, the Proposal Trustee will take over supervision of the SISP Advisor and the conduct of the SISP. In recognition of the professional work it will do in conducting the SISP, Reactor seeks to have the SISP Advisor added as a beneficiary of the Administration Charge.
19. As part of the SISP, Reactor is also seeking approval of the Stalking Horse Agreement, which will serve as the baseline for any bids received in the SISP. The Stalking Horse Agreement contemplates a purchase price of \$261,845.00, to be paid by way of cash and credit bid of amounts owing in respect of the DIP Financing and the Initial Advances. The Stalking Horse Agreement also contemplates assumption of certain liabilities. The Stalking Horse Agreement contemplates the Break Fee of \$75,000 but no additional expense reimbursement. Attached hereto as **Exhibit “F”** is a true copy of the Stalking Horse Agreement.
20. The intention of the Stalking Horse Agreement is to acquire Reactor’s business as a going-concern and to maintain the status quo, including by the assumption of all equipment financing contracts and leases, the realty leases to the Windsor Facilities and the Chatham Facility, and substantially all of Reactor’s employees. To the extent employees are assumed, Reactor’s estate will not bear the cost of termination pay amounts due under the *Employment Standards Act* or at common law, which claims Reactor calculates could otherwise be as high as \$978,500.
21. The Stalking Horse Agreement also treats accounts receivable as excluded assets but provides for the collection thereof by the Stalking Horse Bidder for no additional fee. The SRED Claims and any credits awarded in respect thereof are also excluded assets. This will leave the quite substantial SRED Claims for the benefit of Reactor’s estate and other stakeholders.
22. Reactor calculates, based in part on the projections in the Cash Flows, that, in all, over \$1.9

million in realizable assets will be treated as excluded assets and left in the estate under the terms of the Stalking Horse Agreement.

23. On the present motion, approval of the Stalking Horse Agreement is sought only for purposes of serving as the stalking horse bid in the SISP. Pursuant to the terms of the proposed SISP Approval Order and the Stalking Horse Agreement itself, approval of the Stalking Horse Agreement as the successful bid will only be sought if and when it is selected as the successful bid, on a full approval and vesting order motion.
24. The Stalking Horse Bidder, ATMIS, is a party related to Reactor. Each of the Glovers acts as the trustee of a trust established for the benefit of his family members. Each of these family trusts holds, among other assets, a 24.5% minority ownership interest in ATMIS, for a collective 49% ownership between the two trusts. The Glovers are also directors and officers of ATMIS.
25. ATMIS was incorporated pursuant to the *OBCA* on June 12, 2020. Attached hereto as **Exhibit “G”** is a true copy of a Profile Report generated on January 7, 2026 by the Ministry of Public and Business Service Delivery.
26. ATMIS was originally an on-line business established to market personal protective equipment face shields during the Covid-19 pandemic. These face shields were to have been produced by Reactor, but the third-party-produced mold for the product failed. As a result the product never went to market and ATMIS ended up as a shell company with no material assets.
27. ATMIS was initially majority-owned by the Glovers, each in his personal capacity, and minority owned by a third individual, Trevor Pare. The Glovers and Pare also acted as the initial directors.
28. In April 2023, the Department of National Defence launched the Indigenous Reconciliation Program (the “**IRP**”) to, among other things, award a minimum of 5% of its procurement contracts to indigenous businesses. One way for a business to qualify to compete for contracts under the IRP is to be registered in the Government of Canada’s Indigenous Business Directory, which in turn requires at least 51% ownership by indigenous persons.

29. In order to take advantage of the business opportunities that could be generated by participation in the IRP, ATMIS was restructured on March 13, 2023, to transfer 51% ownership to Andy Valentine, an indigenous individual employed as an engineer at Reactor. Trevor Pare transferred all his shares for no consideration, reflecting the value of ATMIS at the time. The Glovers' shares were transferred to their respective family trusts.
30. Since becoming a certified indigenous business, ATMIS has been awarded approximately \$700,000 in contracts pursuant to the IRP, which work has largely been subcontracted to Reactor, thus generating additional business and revenue for Reactor. If ATMIS is the successful bidder in the SISP, the Reactor business will maintain access to IRP procurement and the added value generated thereby.

#### **C. EXTENSION OF TIME TO FILE A PROPOSAL**

31. Pursuant to the January 16 Order, Reactor has until January 30, 2026 to file a proposal. The SISP is, however, not expected to be completed until late March 2026. The requested 45-day extension of time will provide the Proposal Trustee and the SISP Advisor the time needed to complete the SISP and bring a motion for approval of the successful bid by March 16, 2026. The requested extension will thus preserve the business as a going concern with benefit to all Reactor's stakeholder.
32. As shown in the Initial Cash Flows, Reactor will have the funding necessary to meet its post-NOI obligations as they come due through the proposed extension period.
33. Reactor has been acting and continues to act in good faith and with due diligence in the Proposal Proceedings and it does not believe that the requested extension of time to file a proposal will cause material prejudice to any creditor.
34. The Proposal Trustee has advised that it supports Reactor's request for an extension of time to file a proposal.

#### **D. SRED CLAIMS**

35. Reactor expects to file a SRED Claim for the fiscal year ended February 28, 2025 in the approximate amount of \$1,000,000. Reactor will also file a SRED Claim in the expected

approximate amount of \$800,000 for the Fiscal year ending February 28, 2026.

36. Reactor requires the assistance of Pinnacle to prepare and file the SRED Claims. Pinnacle's fees under the Engagement Letter are structured as a percentage (30%) of any input tax credits awarded in respect of the SRED Claims. Attached hereto as **Exhibit "H"** is a true copy of the Engagement Letter.
37. Because of this industry-standard, success-based fee structure, Pinnacle cannot require immediate payment for its services or avoid extending Reactor credit. Pinnacle therefore requires security for payment of its fees, which security has been granted in the Engagement Letter by way of a charge over any amounts received by Reactor on account of ITPs resulting from the SRED Claims (the "**Pinnacle Charge**"). The Engagement Letter also requires that the DIP Lenders' Charge and the Directors' Charge be subordinated to the Pinnacle Charge.
38. Pursuant to paragraph 17 of the January 16 Order, Reactor sought and received the Proposal Trustee's consent to the granting of the Pinnacle Charge. The Glovers, as beneficiaries of the Directors' Charge and ATMIS, as beneficiary of the DIP Lenders' Charge, also consent.
39. My assistance with preparation of the SRED Claims and with response to inquiries by Canada Revenue Agency about the SRED Claims will continue to be required.

#### **E. INITIAL ADVANCES**

40. As predicted in the Initial Cash Flows and the First Glover Affidavit, Reactor required funding in advance of the creation of the DIP Lenders' Charge on January 16, 2026. As anticipated in the First Glover Affidavit, these Initial Advances were secured by contractual security in the form of a Secured Grid Promissory Note made January 7, 2026 by Reactor in favour of the DIP Lender (the "**Initial Advances Note**"). The Initial Advances were in the amount of \$35,000 on January 7, 2026 and \$20,000 on January 20, 2026. Attached hereto as **Exhibit "I"** is a true copy of the Initial Advances Note.
41. Like the DIP Financing, the Initial Advances accrue interest at the Bank of Montreal's prime commercial rate. The contractual security interest granted by the Initial Advances

Note sits in terms of priority below the charges created by the January 16 Order. Reactor obtained the consent of the Proposal Trustee to the Initial Advance Note, the security granted therein and the Initial Advances.

42. To ensure clarity with respect to the Stalking Horse Agreement, which contemplates, in part, a credit bid of the Initial Advances, and thus to ensure the functioning of the SISP as a whole, Reactor seeks the Court's approval of the Initial Advances and the Initial Advances Note.

#### **F. APPROVAL OF REPORT AND FEES**

43. In connection with the present motion, I understand that the Proposal Trustee is preparing its Second Report and has requested that Reactor seek approval of the same. The proposed form of Ancillary Order, wherein such approval is found, limits reliance on the approval to just the Proposal Trustee.

44. The Proposal Trustee and its counsel, Aird & Berlis LLP, have incurred fees and disbursements in connection with the Proposal Proceedings and have requested that Reactor seek approval of the same. I am advised that the Proposal Trustee will append the appropriate fee affidavits to the Second Report.

45. I swear this affidavit in support of Reactor's motion for the relief set out in paragraph 2 hereof and for no other or improper purpose.

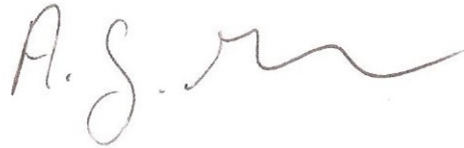
**SWORN BEFORE ME** over video conference )  
this 23<sup>rd</sup> day of January, 2026, in accordance )  
with Ontario Regulation 431/20. The affiant )  
was located in the Town of Amherstburg, in the )  
Province of Ontario, while the commissioner, )  
Adriana Gasparini, was located in the City of )  
Toronto, in the Province of Ontario. )



---

A Commissioner for taking affidavits )

LSO Licence No.: P14458



---

**ANDREW GLOVER**

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

---

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

---

**AFFIDAVIT OF ANDREW GLOVER**  
(Sworn January 23, 2026)

---

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Lawyers for Reactor Engineering Group Ltd.



Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**SUPPLEMENTAL AFFIDAVIT OF ANDREW GLOVER  
(Sworn January 29, 2026)**

I, **ANDREW GLOVER**, of the Town of Amherstburg, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am a director and the Chief Executive Officer of Reactor Engineering Group Ltd. (“**Reactor**”). As such, I have personal knowledge of the matters to which I hereinafter depose. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases, I believe that information to be true.
2. I make this affidavit in support of a motion (the “**Motion**”) by Reactor for the following two Orders:
  - a. an order (the “**SISP Approval Order**”), among other things:
    - i. approving a sale and investment solicitation process including auction procedures (the “**SISP**”);
    - ii. approving the Stalking Horse Asset Purchase Agreement executed by Reactor and ATMIS Protective Equipment Inc. (“**ATMIS**” and, in such capacity, the “**Stalking Horse Bidder**”) dated January 23, 2026 (the “**Stalking Horse Agreement**”) solely for purposes of serving the role as stalking horse in the SISP;

- iii. authorizing and directing Reactor to pay the Stalking Horse Bidder the Break Fee (as defined in the Stalking Horse Agreement), in the amount of \$50,000, if a superior transaction is identified pursuant to the SISP; and
  - iv. extending the benefit of the Administration Charge created by the Order of the Honourable Justice Rady dated January 16, 2026 (the “**January 16 Order**”) to the BDO Transaction Advisory Services Inc., in its capacity as advisor to the Proposal Trustee and Reactor in connection with the SISP (in such capacity, the “**SISP Advisor**”); and
- b. an order (the “**Ancillary Order**”), among other things:
- i. granting an extension of time for filing of a proposal by Reactor in its *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”) by forty-five (45) days up to and including March 16, 2026, pursuant to subsection 50.4(9) of the *BIA*;
  - ii. approving the Second Report of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”), dated January 27, 2026 (the “**Second Report**”), and the Proposal Trustee’s activities set out therein;
  - iii. approving the professional fees and disbursements of the Proposal Trustee and its counsel, Aird & Berlis LLP, as set out in the fees affidavits to be filed with the Court; and
  - iv. approving certain secured advances made by ATMIS, in its capacity as debtor-in-possession lender (in such capacity, the “**DIP Lender**”), during the Proposal Proceedings prior to the January 16 Order (the “**Initial Advances**”).
3. This affidavit is supplemental to my affidavit sworn January 23, 2026 (the “**Second Glover Affidavit**”). It corrects certain errors present in the Second Glover Affidavit and its Exhibits,

and provides updates on certain changed facts and on certain changes to the relief sought on the Motion.

#### **A. REVISED SISP AND STALKING HORSE AGREEMENT**

4. In response to comments from a contingent litigation creditor, Woolly Mammoth Outerwear Inc. o/a Wuxly Movement (“**Wuxly**”), Reactor and the Proposal Trustee have amended the SISP by extending the Bid Deadline (as defined in the SISP) from February 27, 2026 to March 12, 2026, and by changing certain language to clarify that the Proposal Trustee and the SISP Advisor will have sole responsibility for evaluating bids in the SISP, without need for consultation with Reactor. These changes are found in revised form of SISP appended to the Second Report.
5. Also in response to comments from Wuxly, Reactor and ATMIS have agreed to Amend the Stalking Horse Agreement to reduce the Break Fee from \$75,000 to \$50,000. Attached hereto as **Exhibit “A”** is a true copy of the amended Stalking Horse Agreement, dated January 29, 2026.
6. Finally, the Proposal Trustee has added language to the SISP to permit it to aggregate separate Bids from Bidders to create one Qualified Bid (as such terms are defined in the SISP).
7. Attached hereto as **Exhibit “B”** is the revised form of SISP Order with the revised SISP attached as Schedule “A” thereto, blacklined against the form of SISP Order included in Reactor Motion Record, served and filed, January 23, 2026 (the “**Motion Record**”).

#### **B. SRED CLAIMS**

8. Reactor’s Notice of Motion, dated January 23, 2026 (the “**Notice of Motion**”), included, in the relief to be sought, the approval of the Engagement Letter dated as of January 23, 2026 between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”) for preparation of Reactor’s Scientific Research and Experimental Development Tax Credit Program claims for each of the fiscal years ending February 28, 2025 and February 28, 2026. In order to allow further discussions between the Proposal Trustee, Reactor and Pinnacle, Reactor will

seek to adjourn this approval and related relief until its next attendance before the Court.

9. With the changes to the relief sought, as described in paragraphs 4 through 8 above, Reactor expects that the Motion will proceed unopposed.

### **C. INITIAL ADVANCES**

10. The Secured Grid Promissory Note made January 7, 2026 by Reactor in favour of the DIP Lender (the “**Initial Advances Note**”), a copy of which was attached as Exhibit “T” to the Second Glover Affidavit, contained an error in its grid (the “**Grid**”), which error made its way into the body of the Second Glover Affidavit. The second Initial Advance in the amount of \$20,000 was listed as having been made on January 20, 2026, when it was, in fact, made on January 12, 2026. The Grid has been corrected and attached hereto as **Exhibit “C”** is a true copy of the Initial Advances Note with such correction.
11. The Notice of Motion included, in the relief sought relating to the Initial Advances, a declaration that the security granted to the DIP Lender in the Initial Advances Note was not a transfer at undervalue or void as against a trustee in bankruptcy under section 96(1) of the *BIA*. For the sake of clarity, Reactor will also seek a declaration in the Ancillary Order that this grant of security is does not have the effect of giving the DIP Lender a preference and will not be void as against a trustee in bankruptcy under section 95(1) of the *BIA*.
12. Attached hereto as **Exhibit “D”** is the revised form of Ancillary Order with the SRED Claims relief removed and the Initial Advances relief amended, blacklined against the form or Ancillary Order included in the Motion Record.


13. I swear this affidavit in support of the Motion for the relief set out in paragraph 2 hereof  
and for no other or improper purpose.

**SWORN BEFORE ME** over video )  
conference this 29<sup>th</sup> day of January, 2026, in )  
accordance with Ontario Regulation 431/20. )  
The affiant was located in the Town of )  
Amherstburg, in the Province of Ontario, while )  
the commissioner, Adriana Gasparini, was )  
located in the City of Vaughan, in the Province )  
of Ontario. )



\_\_\_\_\_  
A Commissioner for taking affidavits )

LSO Licence No.: P14458



\_\_\_\_\_  
**ANDREW GLOVER**

Court File No.: CV-26-00035949-0000  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

---

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
  
PROCEEDING COMMENCED AT LONDON

---

**SUPPLEMENTAL AFFIDAVIT OF**  
**ANDREW GLOVER**  
(Sworn January 29, 2026)

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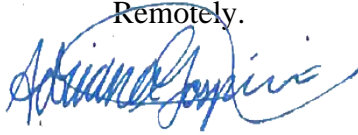
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**Nick Hollard (LSO No. 831700)**  
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Lawyers for Reactor Engineering Group Ltd.

This is **Exhibit "G"** referred to in the  
Affidavit of ANDREW GLOVER, sworn before me  
this 26<sup>th</sup> day of February 2026, in accordance with  
O. Reg. 431/20, Administering Oath or Declaration  
Remotely.



---

Mariela Adriana Gasparini  
A Commissioner for taking affidavits



34 Water Street North  
Cambridge, Ontario, N1R 3B1  
Tel: 519.622.7533  
Toll Free: 877.724.7733  
Fax: 519.622.8533  
www.pcisred.com

February 23<sup>rd</sup>, 2026

Reactor Engineering Group Ltd.  
(o/a Harbour Technologies Ltd.)  
2545 Doty Place  
Windsor, Ontario  
N8X 2W5

*Attention: Andrew Glover, President*

**RE: SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT CLAIM**

---

We are writing to set out the terms of our engagement in connection with the preparation of the Scientific Research and Experimental Development (SR&ED) claim for each of the Fiscal Years Ending **February 28<sup>th</sup>, 2025, and 2026.**

**1. WORK TO BE PERFORMED**

- 1.1 As agreed, we will assist you in the preparation of Scientific Research & Experimental Development claims by:
  - 1.1.1. Preparation of technical descriptions required to be submitted with the claim,
  - 1.1.2. Preparation of all required accompanying schedules,
  - 1.1.3. Providing a breakdown of the eligible expenditures for each qualifying project by type of expense (i.e., salaries and wages, material costs, and subcontractor costs),
  - 1.1.4. Preparation of a file with appropriate supporting documentation for use by the Canada Revenue Agency in auditing the claim,
  - 1.1.5. Provision of all necessary correspondence and communication with the Canada Revenue Agency in course of the Department's audit of the claim, &
  - 1.1.6. Provision of recommendations on how to better account for and document SR&ED claims in the future and any other work required in order to secure successful SR&ED claim.

## 1.2 Expedited Preparation and Filing Deadlines

- 1.2.1 The SR&ED claim for the fiscal year ending February 28, 2025 shall be completed and ready for filing no later than March 15, 2026.
- 1.2.2 The SR&ED claim for the fiscal year ending February 28, 2026 shall be completed and ready for filing no later than April 30, 2026.
- 1.2.3 The above deadlines are conditional upon Reactor Engineering Group Ltd. providing all reasonably requested financial records, technical documentation, and supporting information in a timely manner.

## 2. FEES

- 2.1 Our “fee base” for the services indicated in paragraph 1.1 would be **20%-22.5%** of the Investment Tax Credits (“ITCs”) approved, as a result of the federal and provincial SR&ED claim for each taxation year for which we assist you. Our “fee base” in a given year will be calculated based upon the total of all investment tax credits approved in the taxation year of the SR&ED claim.
  - 2.1.1. Fee base will be **20%** if claim is approved as filed.
  - 2.1.2. Fee base will be **22.5%** if desk reviewed, or site reviewed by Canada Revenue Agency.
- 2.2 We will render a federal and provincial (if applicable) invoice to you, which is due upon receipt by you of the federal and provincial (if applicable) portion of the claim. Our accounts are due as each of the federal and provincial (if applicable) amounts are received, and interest may be charged at 12% per annum on overdue balances.
- 2.3 All outstanding invoices must be paid in full before we will release SR&ED claims for subsequent years.
- 2.4 You agree to grant us a charge over any amounts received on account of approved ITCs for a given year, as security for payment of our fees due hereunder for that fiscal year. Such charge will rank in priority to the Lenders’ Charge and the Directors’ Charge created by, Order of the

Ontario Superior Court of Justice made January 16, 2026 in your *Bankruptcy and Insolvency Act* (Canada) proposal proceedings.

### 3. WARRANTY AND LIMITATION OF LIABILITY

- 3.1 We warrant that our services will be of professional quality. We warrant that we shall perform the work using our best efforts and shall provide the services of duly qualified and expert personnel in performing such work. No other warranties express or implied are given.
- 3.2 Our liability for damages for any cause, whether in contract or in tort including negligence, shall be limited to your actual damages and in the aggregate shall in no event exceed the total amount paid by you to us for the services set out herein. In no event shall we be liable for any indirect, special, consequential or incidental damages of you or other persons even if we have been advised of the possibility of these damages, including but not limited to, lost profits, lost revenue or failure to realize expected savings.

### 4. WORK REQUIRED by Andrew Glover of Reactor Engineering Ltd.

- 4.1 In the event Canada Revenue Agency reviews one or both of the 2025 or 2026 claims, you agree to cause Andrew Glover to attend all meetings with CRA to defend the SR&ED claim(s).

### 5. CONFIDENTIALITY

- 5.1 All confidential data and information concerning you and your clients shall be kept strictly confidential. We are prepared to sign a confidentiality agreement at your request.

Should you have any questions concerning the terms of this engagement, please advise the writer immediately. If the terms outlined herein are acceptable to you, please sign the copy of this letter in the space provided and return a copy to us.



We appreciate the opportunity to be of service to your company.

Yours very truly,

**Per Pinnacle Consultants Inc.**

Signature: 

Date: February 23<sup>rd</sup>, 2026

Darren Drury, BSc, MBA  
Vice President, Operations

---

**Per Reactor Engineering Group Ltd. (o/a Harbour Technologies Ltd.)**

We are in agreement with the terms of this letter and accept its conditions.

Signature: 

Date: February 25, 2026

Andrew Glover, President



Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

---

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

---

**AFFIDAVIT OF ANDREW GLOVER**  
(Sworn February 26, 2026)

---

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nhollard@blg.com

Lawyers for Reactor Engineering Group Ltd.

# Tab 3

Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 6<sup>TH</sup> DAY  
 )  
JUSTICE ) OF MARCH, 2026  
 )

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
REACTOR ENGINEERING GROUP LTD.**

**ORDER**

**THIS MOTION**, made by Reactor Engineering Group Ltd. (“**Reactor**”), was heard this day by Zoom videoconference.

**ON READING** the Motion Record of Reactor, including the Affidavit of Andrew Glover sworn February 26, 2026, including the exhibits thereto (the “**Third Glover Affidavit**”), and the Third Report to the Court of BDO Canada Limited (“**BDO**”) in its capacity as proposal trustee (in such capacity, the “**Proposal Trustee**”) dated February [\*], 2026 (the “**Third Report**”), and on hearing the submissions of counsel for Reactor, counsel for the Proposal Trustee and such other counsel who were present and listed, and no one else appearing for although duly served as appears from the affidavit of service of [\*] [sworn/affirmed] February [\*], 2026, filed,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **EXTENSION OF TIME**

2. **THIS COURT ORDERS** that the time for the filing of a proposal by Reactor is hereby extended in accordance with section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) by a period of thirty-two (32) days up to and including April 17, 2026.

### **APPROVAL OF THE THIRD REPORT**

3. **THIS COURT ORDERS** the Third Report, and the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided that only the Proposal Trustee in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

### **RETENTION OF SRED CONSULTANT**

4. **THIS COURT ORDERS** that Reactor’s execution, delivery and entry into of the Engagement Letter dated as of February 23, 2026 (the “**Revised Engagement Letter**”) between Reactor and Pinnacle Consultants Inc. (“**Pinnacle**”), as consultant, engaging Pinnacle to prepare and file Reactor’s claims under Scientific Research and Experimental Development Tax Credit Program for each of the fiscal years ending February 28, 2025 and February 28, 2026 (the “**SRED Claims**”), substantially in the form attached as Exhibit “G” to the Third Glover Affidavit, is confirmed, authorized and approved.

5. **THIS COURT ORDERS AND DECLARES** that: (a) Reactor is hereby authorized to pay to Pinnacle any amounts owing to it under the Revised Engagement Letter in accordance with the terms thereunder, and that such payment shall be valid under section 97(1) of the BIA, shall not have been made with a view to giving Pinnacle a preference over any other creditor, and shall not be void as against any trustee in bankruptcy under section 95(1) of the BIA; and (b) the security granted under the Revised Engagement Letter for payments of amount owing to Pinnacle thereunder is valid under section 97(1) of the BIA, is not a transfer at undervalue and shall not be void as against any trustee in bankruptcy under section 96(1) of the BIA.

6. **THIS COURT ORDERS** that, notwithstanding the terms of the Order of The Honourable Madam Justice Rady dated January 16, 2026, including but not limited to paragraphs

5 and 12 thereof, the DIP Lenders' Charge and the Directors' Charge shall be subordinated to the security granted in favour of Pinnacle under the Revised Engagement Letter specifically in respect of any amounts received by Reactor on account of the SRED Claims.

### **FEE APPROVAL**

7. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee, and the Proposal Trustee's legal counsel, Aird & Berlis LLP, in connection with these proposal proceedings up to and including February 15, 2026, as set out in the Third Report and as more particularized in the Fee Affidavits (as defined in the Third Report) appended thereto, be and are hereby approved.

### **GENERAL**

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Reactor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Reactor, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that Reactor and the Proposal Trustee be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

10. **THIS COURT ORDERS** that any interested party (including Reactor and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to Reactor, the Proposal Trustee, and any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

11. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Eastern Standard Time on the date hereof, and this Order is enforceable without any need for entry and filing.

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Court File No.: CV-26-00035949-00OT  
Estate No.: 35-3311888

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

---

**ORDER**

---

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Lawyers for Reactor Engineering Group Ltd.

Court File No.: CV-26-00035949-00OT  
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF REACTOR ENGINEERING GROUP LTD.**

---

***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT LONDON

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**MOTION RECORD**

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