

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.**

MOTION RECORD

(Returnable January 30, 2026)

January 23, 2026

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Lawyers for Reactor Engineering Group Ltd.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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I N D E X

TAB	DOCUMENT
1.	Notice of Motion returnable January 30, 2026
2.	Affidavit of Andrew Glover, sworn January 23, 2026
A	Notice of Intention to Make a Proposal dated December 16, 2025 and Certificate of filing for the Notice of Intention dated December 17, 2025
B	Cash Flow Projection dated December 23, 2025
C	Order and Endorsement of Justice Rady dated January 16, 2026
D	Affidavit of A. Glover sworn January 2, 2026 (without exhibits)
E	Sale and Investment Solicitation Process
F	Stalking Horse Agreement dated January 23, 2026
G	Corporate Profile Report of ATMIS Protective Equipment Inc. generated on January 7, 2026
H	Pinnacle Engagement Letter dated January 23, 2026
I	Secured Grid Promissory Note dated January 7, 2026
3.	Draft Ancillary Order
4.	Draft Sale Process Order

Tab 1

Court File No.: CV-26-00035949-0000
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**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 January 30, 2026)**

Reactor Engineering Group Ltd. (“**Reactor**”), will make a motion to a Judge of the Ontario Superior Court of Justice on January 30, 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 (the “**Ancillary Order**”) substantially in the form attached at Tab 3 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 45 days up to and including March 16, 2026, pursuant to subsection 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”);
- c. approving the Second 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 “**Second Report**”);
 - d. approving the professional fees and disbursements of the Proposal Trustee and its counsel, Aird & Berlis LLP, as set out in their respective fee affidavits to be appended to the Second Report;
 - e. 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 (the “**SRED Claims**”);
 - 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 Engagement Letter; and
 - g. approving certain secured advances made by ATMIS Protective Equipment Inc. (“**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**”).
2. An Order (the “**SISP Order**”) substantially in the form attached at Tab 4 of the Motion Record, among other things:
 - (a) authorizing Reactor to undertake a sale and investment solicitation process (the “**SISP**”) in respect of all of its assets, undertakings, and properties;

- (b) 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;
- (c) authorizing and directing Reactor to pay the Stalking Horse Bidder the Break Fee (as defined in the Stalking Horse Agreement), in the amount to \$75,000, if a superior transaction is identified pursuant to the SISP;
- (d) extending the benefit of the Administration Charge granted by the January 16 Order to 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

such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. Reactor is a corporation incorporated pursuant to the laws of Ontario. Reactor is co-owned by Andrew Glover and David Glover (collectively, the “**Glovers**”).
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 operates from two leased facilities located in Windsor, Ontario (the “**Windsor Facilities**”) and one leased facility in Chatham, Ontario (the “**Chatham Facility**”). Reactor maintains a staff of thirty-four full-time employees.
6. 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.

7. 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**”).
8. 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.
9. Further background details are set out in the affidavits of Andrew Glover, sworn January 2, 2026 (the “**First Glover Affidavit**”) and January 23, 2026 (the “**Second Glover Affidavit**”). Capitalized terms used but not defined herein shall have the meanings given thereto in the Second Glover Affidavit.

NOI and Status of the Proposal Proceedings

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**”).
11. With the assistance of the Proposal Trustee, Reactor produced the thirteen-week Initial Cash Flow which the Proposal Trustee filed with the OSB on December 23, 2025, as required by the BIA.
12. 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, 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**”).

Sale and Investment Solicitation Process

13. Reactor wishes to commence the SISP including its bidding and auction procedures, all as set out at Schedule “A” of the draft SISP Order. The SISP was developed by the Proposal Trustee with assistance from the SISP Advisor and input from Reactor. It will provide Reactor with the opportunity to identify a transaction in respect of its business and assets that is superior the one contemplated by the Stalking Horse Agreement (the “**Stalking Horse Bid**”).
14. The SISP is expected to follow an eight (8) week timeline, with key milestones is as follows:

Milestone	Date
Commencement of Sale Process	January 30, 2026
Distribution of the Notice	Within five (5) business days of issuance of SISP Order
Distribution of Teaser Letter and Marketing Materials	Within two (2) business days of issuance of SISP Order

Milestone	Date
Bid Deadline	February 27, 2026
Auction Date (if necessary)	No later than March 3 2026
Sale Approval Hearing	No later than March 16, 2026
Closing of Transaction	No later than March 31, 2026

15. The SISP will require qualified bids to have a purchase price greater than the Stalking Horse Bid by at least the amount of Break Fee. The Proposal Trustee supports the amount of the Break Fee at \$75,000. If an auction is held, the starting price will be that of the highest qualified bid, with a minimum bid increment of \$25,000.
16. The SISP is consistent with insolvency practices and procedures in like circumstances, is favourable to Reactor, and is reasonable having regard to the circumstances.
17. The SISP will facilitate a transparent, Court-supervised process in an attempt to maximize potential realizations on, and/or investment in, the business and assets of Reactor. The SISP is warranted at this time and will be beneficial to all stakeholders to determine if a superior transaction is available.
18. Reactor seeks approval of the Stalking Horse Agreement solely for the purpose of its use as the Stalking Horse Bid in the SISP. The Stalking Horse Agreement will provide an appropriate, valuable, and competitive floor for bids submitted and will enhance the efficacy of the SISP.
19. The Stalking Horse Agreement contemplates:
 - a. the acquisition of substantially all of Reactor’s business on a going-concern basis, including substantially all of its assets on an “as is, where is” basis;
 - b. accounts receivable as an excluded asset class;

- c. the SRED Claims as excluded assets;
 - d. a purchase price of \$261,845.00, payable by way of cash and credit bid;
 - e. offers of continued employment to a majority of employees;
 - f. assumption of the leases to all three leased premises;
 - g. assumption of all equipment leases and financing agreements;
 - h. the Break Fee payable if the Stalking Horse Bid is not selected as the Successful Bid (as defined in the SISP); and
 - i. no additional expense reimbursement payable if the Stalking Horse Bid is not selected as the Successful Bid.
20. The Stalking Horse Agreement is the result of extensive negotiations among non-arm's-length parties, with guidance from the Proposal Trustee. The offer is conditional upon final the granting of an approval and vesting order on a future motion.
21. The Stalking Horse Bidder is related to Reactor in that the Glovers are directors of ATMIS and their family trusts own a combined 49% ownership of ATMIS. ATMIS was a more-or-less shell company whose ownership was restructured in 2023 to take advantage of a new Department of Defence procurement program for indigenous-owned businesses. Andy Valentine, one of Reactor's engineers and an indigenous person, was made the majority owner. Since that time, Reactor has benefitted from subcontracts for work awarded to ATMIS under the federal program.
22. The Proposal Trustee is supportive of the approval of the Stalking Horse Agreement for the purpose of acting as the Stalking Horse Bid in the SISP.

SRED Claims

23. 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 credit awarded is treated as an excluded asset under the

Stalking Horse Agreement, leaving the value of the SRED Claims for the benefit of Reactor's estate.

24. 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 of any input tax credits awarded in respect of the SRED Claims.
25. 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.
26. 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.

Initial Advances

27. 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.
28. 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 priority below the charges created by the Initial Order. Reactor obtained the consent of the Proposal Trustee to the Initial Advance Note, the security granted therein and the Initial Advances.
29. To ensure clarity with respect to the Stalking Horse Bid, 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.

Extension of Time to Make a Proposal

30. Pursuant to the Initial 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. Reactor therefore seeks an order pursuant to subsection 50.4(9) of the BIA extending the deadline to make a proposal by forty-five (45) days to March 16, 2026. The requested extension will thus preserve the business as a going concern with benefit to all Reactor's stakeholder.
31. 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. This funding will come through the DIP Financing and Reactor's own receipts.
32. Unless the Court grants an extension of time to make a proposal before the current deadline, being January 30, 2026, Reactor will be deemed to have made an assignment in bankruptcy without having had the opportunity to, among other things, undertake the SISP.
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.

Approval of Second Report and Fees

34. In connection with the present motion, the Proposal Trustee will file its Second 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.
35. 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. The Second Report will append the appropriate fee affidavits.

Other Grounds

36. Sections 50.4, 64.2, 65.13, and 183 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
37. 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;
38. the inherent and equitable jurisdiction of this Court; and
39. 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 January 23, 2026, with exhibits;
- (b) the Second Report of the Proposal Trustee, to be filed; and
- (c) such further and other material as counsel may advise and this Court may permit.

January 23, 2026

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TO: SERVICE LIST

SERVICE LIST
(As at January 12, 2026)

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AND TO:	<p>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7</p> <p>Email: osbservice-bsfservice@ised-isde.gc.ca</p>
AND	ATTORNEY GENERAL OF CANADA

TO:	Department of Justice of Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca
AND TO:	HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by Ministry of Finance Legal Services Branch Revenue Collections Branch – Insolvency Unit 33 King Street West, 6 th Floor Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca

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AND TO:	CONCENTRA EQUIPMENT FINANCE, A DIVISION OF BENNINGTON FINANCIAL CORP. 100-1465 North Service Rd East Oakville, ON L6H 1A7
AND TO:	WOOLLY MAMMOTH OUTERWEAR INC. 1680 Courtnepark Drive East Unit 1-2 (Wuxly) Mississauga, ON L5T 1W1
AND TO:	INTERNATIONAL CUSTOM PRODUCTS INC. 1 Toronto Street, Suite 211 Toronto, ON M5C 2V6

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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

NOTICE OF MOTION
(Returnable January 30, 2026)

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Tab 2

Court File No.: CV-26-00035949-0000
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**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 SISF 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.

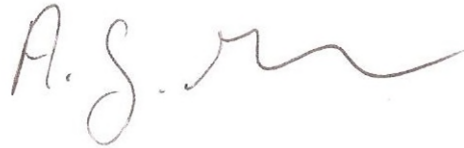
45. I swear this affidavit in support of Reactor's motion for the relief set out in paragraph 2 hereof and for no other or improper purpose.

SWORN BEFORE ME over video conference)
this 23rd 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

This is **Exhibit "A"** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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.



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
Total			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

Date of the Notice of Intention:

December 16, 2025

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

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

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

Date: December 17, 2025, 14:00

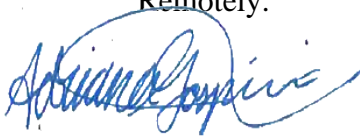
E-File/Dépôt Electronique

Official Receiver

Canada

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

This is **Exhibit "B"** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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	Week Beginning:	15-12-2025	22-12-2025	29-12-2025	5-1-2026	12-1-2026	19-1-2026	26-1-2026	2-2-2026	9-2-2026	16-2-2026	23-2-2026	2-3-2026	9-3-2026	16-3-2026	
	Opening balance	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
	Receipts:															
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
	Total cash in	144,249	50,679	-	17,468	308,030	4,900	288,571	-	510,151	-	177,166	-	292,667	-	1,793,880
	Disbursements:															
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
	Total cash out	90,605	90,081	56,466	120,945	172,199	146,764	196,989	107,720	164,667	116,764	126,989	107,720	93,267	60,264	1,651,442
	Net receipts/(expenses)	53,644	(39,402)	(56,466)	(103,477)	135,831	(141,865)	91,582	(107,720)	345,485	(116,764)	50,177	(107,720)	199,400	(60,264)	142,439
9	DIP Loan	-	-	-	85,000	-	10,000	-	15,000	-	-	-	-	-	-	110,000
	Closing balance	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	313,460	313,460

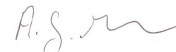
Notes and Assumptions

- 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 “C”** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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 16TH 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.



A handwritten signature in cursive script, appearing to read "Allen R. Rag", is written over a horizontal line.

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)

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide St W
Toronto, Ontario M5H 4E3
Tel: 416-367-6000
Fax: 416-367-6749

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

Lawyers for Reactor Engineering Group Ltd.

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

Email/
Courriel: jlaplante@cohenhighley.com Present/ Comparait
Mr DeLino (I failed to note for whom Mr DeLino appeared)

Defendant/
Intimé(e): Mr Hartley for Wuxley Present/ Comparait
Mr Galluchan - for International Customer Products

Counsel/
Avocat(e): Present/ Comparait

Email/
Courriel: Present/ Comparait

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.

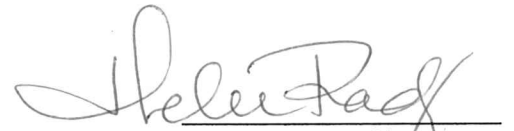
Order to go in accordance with minutes of settlement or consent filed./ Ordonnance conformément au procès-verbal de l'audience de transaction ou le consentement déposé.

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 "D"** referred to in the
Affidavit of ANDREW GLOVER, sworn before me
this 23rd day of January, 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;¹ and
- c. an action by ICP against Reactor and the Glovers.²

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.

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

² *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

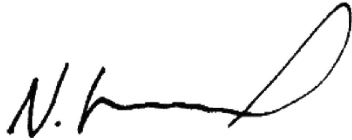
30. Under the *BIA*, Reactor has until January 16, 2026 to file a proposal unless the Court grants an extension of time to file a proposal prior to such date. The requested extension of the time to file a proposal will provide Reactor with the time necessary to advance its

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 2nd 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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDING COMMENCED AT WINDSOR

AFFIDAVIT OF ANDREW GLOVER
(Sworn January 2, 2026)

BORDEN LADNER GERVAIS LLP

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Lawyers for Reactor Engineering Group Ltd.

This is **Exhibit "E"** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Mariela Adriana Gasparini
A Commissioner for Taking Affidavits

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	February 27, 2026
Auction Date (if necessary)	No later than March 3, 2026
Sale Approval Hearing	No later than March 16, 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, 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 \$75,000.

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 February 27, 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 \$75,000;
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 March 31, 2026.

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

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 3, 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
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
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
svirani@bdo.ca

Schedule "B"

AUCTION PROCEDURES

1. On or before March 2, 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 3, 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 and the Company, 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 and the Company, 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.

This is **Exhibit "F"** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Mariela Adriana Gasparini
A Commissioner for Taking Affidavits

REACTOR ENGINEERING GROUP LTD.

as Vendor

and

ATMIS PROTECTIVE EQUIPMENT INC.

as Purchaser

STALKING HORSE ASSET PURCHASE AGREEMENT

January 23, 2026

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STALKING HORSE ASSET PURCHASE AGREEMENT

This stalking horse asset purchase agreement is dated January ____, 2026 between Reactor Engineering Group Inc., a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) doing business as Harbour Technologies (the “**Vendor**”), as vendor, and ATMIS Protective Equipment Inc., a corporation incorporated pursuant to the *OBCA* (the “**Purchaser**” and, collectively with the Vendor, the “**Parties**” and either one, a “**Party**”), as purchaser.

RECITALS:

- (a) on December 16, 2025, the Vendor initiated proceedings (the “**Proposal Proceedings**”) under the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (the “**BIA**”) by filing a Notice of Intention to Make a Proposal (“**NOI**”) under subsection 50.4(1) of the *BIA*. BDO Canada Limited was appointed as the proposal trustee of the Vendor in the Proposal Proceedings (in such capacity, the “**Proposal Trustee**”);
- (b) in connection with the Proposal Proceedings, the Vendor intends to seek approval from the Ontario Superior Court of Justice (the “**Court**”) of a sale and investment solicitation process to be conducted by BDO Canada Transaction Advisory Services Inc. (“**BDO Transaction Advisory**”) and overseen by the Proposal Trustee, substantially in the form of the process set out on **Schedule “A”** to this Agreement (the “**Stalking Horse Sales Process**”), pursuant to which this Agreement will serve as the Stalking Horse Bid (as defined herein) to acquire the Purchased Assets (as defined herein);
- (c) this Agreement is intended to serve as the Stalking Horse Bid (as defined herein) in the Stalking Horse Sales Process; and
- (c) subject to Court approval, the completion of the Stalking Horse Sales Process, and determination by BDO Transaction Advisory and the Proposal Trustee that none of the Qualified Bids other than the Stalking Horse Bid constitutes a Superior Bid (as defined herein) resulting in a Successful Bid (as defined herein), the Purchaser agrees to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, the Purchased Assets, on the terms and conditions set forth herein.

In consideration of the above and for other good and valuable consideration, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

As used in this Agreement (including in the recitals above), the following terms have the following meanings:

“Accounts Receivable” means all accounts receivable, bills receivable, trade accounts, book debts notes and other debts due or accruing due to the Vendor, including recoverable deposits, in each case owned by the Vendor on the Closing Date.

“Administrative Professionals” means the Vendor’s legal counsel, the Proposal Trustee, the Proposal Trustee’s legal counsel.

“Administration Charge” means the charge granted by the Court pursuant to the Initial Order to secure the fees and expenses of the Administrative Professionals;

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“Agreement” means this stalking horse asset purchase agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Approval and Vesting Order” means the approval and vesting order issued by the Court, in form and substance satisfactory to the Purchaser, the Vendor and the Proposal Trustee, each acting reasonably, which shall, among other things, approve this Agreement and the transaction contemplated by this Agreement and convey to the Purchaser the Purchased Assets, free and clear of all Encumbrances other than the Permitted Encumbrances.

“Assigned Contracts” means all contracts, agreements, commitments, promises or undertakings of the Vendor (including any indenture, note, bond or other evidence of indebtedness, equipment lease, equipment financing contract, instrument, license, Real Property Lease, purchase order or other legally binding agreement) whether written or oral, to be assigned to the Purchaser in accordance with Article 4 or by way of an Assignment Order, provided that the Purchaser may add any contracts to the Excluded Assets on **Schedule “B”** up until two (2) Business Day prior to the Closing Date.

“Assignment Order” means an order of the Court requiring the assignment of contracts designated by the Purchaser to which the Vendor is a party to the Purchaser, in form and substance satisfactory to the Purchaser and the Proposal Trustee, acting reasonably.

“Assumed Liabilities” shall have the meaning defined in Section 3.1.

“BIA” shall have the meaning defined in the Recitals.

“Bid Deadline” means February 27, 2026, as may be extended in accordance with the Stalking Horse Sales Process.

“Books and Records” means all information in any form relating to, or used in connection with, the Business, including books of account, financial and accounting information and

records, personnel records, sales and purchase records, customer and supplier lists, business reports, operating guides and manuals, plans and projections, marketing and advertising materials, corporate records, and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices);

“**Break Fee**” shall have the meaning defined in Section 10.1(2).

“**Business**” means the businesses operated by the Vendor, which consists of the development and manufacture of custom machine tools, high-tolerance tools, machining and assembled components for the nuclear, oil and gas, aerospace and automotive industries, and matters related thereto.

“**Business Day**” means a day on which banks are open for business in the City of Windsor but does not include a Saturday, Sunday, or statutory holiday in the Province of Ontario.

“**Cash Amount**” has the meaning defined in Section 5.2 (a).

“**Confidential Information**” means all information or materials relating to or concerning the Vendor, the Purchased Assets or the Business that are not generally available to the public (including information or materials relating to or concerning products or services, pricing structures, accounting and business methods, business and strategic plans, financial data, budgets and projections, marketing plans, employee information, training techniques and materials, customer lists and other marketing lists, contracts, arrangements with third parties, inventions, devices, data servers, software, new developments, methods and processes, customers and clients and customer or client lists, copyrightable works and all technology, trade secrets and other intellectual property and proprietary information whether owned or licensed), provided that all Personal Information shall be Confidential Information whether or not it is generally available to the public.

“**Closing**” shall have the meaning defined in Section 11.1.

“**Closing Date**” means the date that is two (2) Business Days after the conditions of closing in Article 10 of this Agreement are satisfied or waived and shall, in no event, be later than the Outside Date.

“**Consent Required Contracts**” means the contracts to which the Vendor is a party and which are not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto other than the Vendor.

“**Contract Assumed Liabilities**” shall have the meaning defined in Section 4.1(2).

“**Court**” shall have the meaning defined in the Recitals.

“**Credit Bid Debt**” all or a portion of the Liabilities of the Vendor owing to the Purchaser, as the DIP Lender, pursuant to the DIP Financing and/or the Post-Filing Note, in an amount to be determined by the Purchaser and communicated to, and approved by, the Proposal Trustee in writing at least two (2) Business Days prior to the Closing Date.

“**Cure Payment**” means a payment solely required to comply with section 84.1(5) of the *BIA* to cure any existing monetary default or breach of the Vendor under any contract which is to become an Assigned Contract as at the date such contract becomes an Assigned Contract which, for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to a Contract.

“**DIP Financing**” means the non-revolving loan facility in the maximum aggregate amount of the \$110,000 as approved by the Initial Order and to be advanced pursuant to DIP Certificates, as such term is defined in the Initial Order.

“**DIP Lender**” means ATMIS Protective Equipment Inc., in its capacity as lender to the Vendor pursuant to the DIP Financing.

“**Initial Order**” means the Order of the Court made January 16, 2026 in the Proposal Proceedings, among other things, approving the DIP Financing and granting the DIP Lenders’ Charge, the Administration Charge and the Directors’ Charge (as such terms are defined in the Initial Order).

“**Employee Plans**” means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, retirement, pension, registered retirement savings, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former directors, officers or employees of the Vendor maintained, sponsored or funded by the Vendor, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, but excluding the Profit Sharing Plan.

“**Encumbrances**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, license, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant, execution, levies, or other financial or monetary claims or encumbrances of any nature (whether at law or equity), and any contract, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“**ETA**” shall have the meaning defined in Section 6.1.

“**Excluded Assets**” shall have the meaning defined in Section 2.2.

“**Excluded Liabilities**” shall have the meaning defined in Section 3.2(1).

“**Excluded Litigation**” means, collectively: (i) the arbitration proceeding, *Woolly Mammoth Outerwear Inc. o/a Wuxly Movement v. Reactor Engineering Group Ltd. o/a Harbour Technologies, Andrew Glover and David Glover*; (ii) the Court action, *Woolly Mammoth Outerwear Inc. o/a Wuxly Movement v. International Custom Products Inc.*, CV-22-00683103-0000; and (iii) the Court action, *International Custom Products Inc. v. Reactor Engineering Group Ltd. o/a Harbour Technologies, Andrew Glover and David Glover*, CV-23-00699593-0000.

“Governmental Authority” means governments, regulatory authorities, governmental departments, agencies, commissions, commissioners, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Real Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **“Governmental Authority”** means any one of them.

“GST/HST” means all goods and services tax and harmonized sales tax imposed under Part IX of the *ETA* or any other statute in any jurisdiction of Canada.

“Intellectual Property” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, including without limitation, “Harbour Technologies” and “Reactor Engineering”, domain names, website names and world wide web addresses including, without limitation, “www.reactorengineeringgroup.com” and “www.harbour-tech.com”, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (viii) any other intellectual property and industrial property.

“Inventories” means all inventories of stock-in-trade and merchandise including materials, supplied, work-in-progress and purchase finished goods (including those in possession of suppliers, customer and other third parties), in each case owned by the Vendor on the Closing Date.

“ITA” shall have the meaning defined in Section 6.3.

“Laws” means any principle of common law and all applicable: (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Authority; and (iii) to the extent that they are treated as binding by the Governmental Authority or have the force of law, policies, guidelines, notices and protocols of any Governmental Authority.

“Liability” means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute

or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation).

“Material Contract” means any contract, licence or agreement to which the Vendor is at any time a party or pursuant to which the Vendor has at any time acquired rights, and includes rights of the Vendor to receive money due and to become due to it in connection with a contract, licence or agreement, but shall not include any contract, licence or agreement made in the ordinary course of Business under which the Vendor has a financial obligation or right to be paid of less than \$10,000 per year and which can be terminated by the Vendor in accordance with its terms without the Vendor being required to pay any damages, penalty or other amount by giving not more than thirty days notice, and notwithstanding any financial threshold, any other contract that would reasonably be expected to be material to the Business.

“NOI” shall have the meaning defined in the Recitals.

“Notice” shall have the meaning defined in Section 13.1.

“Ordinary Course” means, with respect to the Vendor, an action consistent with the past practices of the Vendor prior to the filing of the NOI and taken in the ordinary course of the normal day-to-day business and operations of the Vendor, provided that such action is in compliance, in all material respects, with applicable Laws (provided that it is required to comply with the requirements of the Proposal Proceedings).

“Outside Date” means March 31, 2026, or such later date as may be agreed to in writing by the Parties, and approved by the Proposal Trustee in writing.

“Parties” shall have the meaning defined in the Recitals.

“Permitted Encumbrances” means all security interests and other interests arising exclusively from the Assumed Liabilities and Contract Assumed Liabilities.

“Person” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company, or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator, or other legal personal representative, Governmental Authority, or other entity however designated or constituted.

“Personal Information” has the meaning applied to such term under the *Personal Information Protection and Electronic Documents Act* (Canada).

“Post-filing Note” means the secured grid promissory note made January 7, 2026 by the Vendor in favour of the DIP Lender.

“Premises” means the Vendor’s leased premises located at 2545 and 2557 Doty Place, Windsor, Ontario, and 830 Richmond Street, Chatham, Ontario.

“Pre-Paid Expenses” means pre-paid expenses and deposits paid by the Vendor in connection with Assigned Contracts.

“Proposal Proceedings” shall have the meaning defined in the Recitals.

“Proposal Trustee’s Certificate” shall have the meaning defined in Section 11.1(3).

“Priority Payables” means all amounts outstanding and owed by the Vendor as of the Closing Date in respect of all salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of all employees of the Vendor for the period beginning six-months prior to the date of filing of the NOI and ending on the Closing Date, source deductions relating to the same, HST/GST, plus the fees and disbursements secured by or to be secured by the Administration Charge to complete the administration of the Proposal Proceedings.

“Profit Sharing Plan” means the Vendor’s still-unfulfilled deferred profit sharing plan for its employees that was to be administered through Manulife.

“Proposal Trustee” means BDO Canada Limited, in its capacity as proposal trustee of the Vendor under the *BIA*.

“Purchased Assets” shall have the meaning defined in Section 2.1.

“Purchase Price” shall have the meaning defined in Section 5.1.

“Purchaser” shall have the meaning defined in the Recitals.

“Qualified Bid(s)” has the meaning defined in the Stalking Horse Sales Process.

“Real Property Leases” means the leases to the Premises.

“Stalking Horse Sales Process” shall have the meaning defined in the Recitals.

“Sales Process Order” means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, authorizes the Vendor to enter into this Agreement and to conduct a marketing and sale process for the right, title and interest of the Vendor in and to the Purchased Assets and the Excluded Assets substantially in accordance with the Stalking Horse Sales Process.

“Stalking Horse Bid” shall have the meaning defined in Section 10.1(1).

“Tangible Personal Property” means, collectively, all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computer hardware, telephones and other chattels (including those in possession of third parties) owned by the Vendor on the Closing Date.

“Tax” means: (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with

respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Party.

“Time of Closing” means 12:01 a.m. (Windsor time) on the Closing Date.

“Transferred Employees” means those employees of the Vendor who accept offers of employment from either the Purchaser an Affiliate of the Purchaser, as the case may be, made pursuant to Section 7.1 herein.

“Transfer Taxes” shall have the meaning defined in Section 6.2.

“Vendor” shall have the meaning defined in the Recitals.

“Winning Bidder” shall have the meaning defined in Section 10.1(3).

Section 1.2 Date for Any Action.

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.3 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number only shall include the plural and vice versa.

Section 1.4 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.5 Currency.

All references in this Agreement to dollars or to \$ are expressed in Canadian currency, unless otherwise specifically indicated.

Section 1.6 Certain Phrases, etc.

In this Agreement (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”, and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. Unless otherwise specified, the words “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement.

Section 1.7 Schedules.

The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

ARTICLE 2 PURCHASED ASSETS

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, except for the Excluded Assets, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor, on the Closing Date, effective as of the Time of Closing, or such later time as is contemplated by this Agreement, all undertakings, property and assets of the Vendor, including any and all assets that relate to or are used in connection with the operation of the Business (collectively, the “**Purchased Assets**”), including but not limited to the following assets, all free and clear of all Encumbrances (other than Permitted Encumbrances):

- (a) the Assigned Contracts;
- (b) the Pre-Paid Expenses;
- (c) the Books and Records;
- (d) the Intellectual Property owned or leased by the Vendor;
- (e) the Inventories;
- (f) the Tangible Personal Property;
- (g) all orders, authorizations, approvals, licenses or permits of any Governmental Authority, owned, held or used by the Vendor;
- (h) all claims, actions, causes of action, indemnities, warranties, guarantees, rights of recovery, rights of set-off and rights of recoupment of the Vendor other than the Excluded Litigation;
- (i) all proceeds payable to the Vendor upon any policies of insurance, other than in respect of claims with respect to Excluded Assets; and

- (j) the goodwill of the Business, including the exclusive right of the Purchaser to (i) represent itself as carrying on the Business in continuation of and in succession to the Vendor, and (ii) use any words indicating that the Business is carried on.

Section 2.2 Excluded Assets.

The Purchased Assets shall not include any of the following (collectively, the “**Excluded Assets**”):

- (a) cash on hand, bank balances, moneys in possession of banks or other depositories, term or time deposits and similar cash items of, owned or held by of for the account of the Vendor;
- (b) retainer funds held by counsel for the Vendor, the Proposal Trustee, BDO Canada Transaction Advisory Services Inc. or other professionals retained by the Vendor;
- (c) the Accounts Receivable;
- (d) the benefit of this Agreement;
- (e) any claims asserted by the Vendor in the Excluded Litigation;
- (f) any tax rebates, refunds or credits due to the Vendor including, without limitation, any Scientific Research and Experimental Development credits;
- (g) any legal files of the Vendor in the possession of or maintained by counsel for the Vendor;
- (h) Tangible Personal Property associated with contracts that are not Assigned Contracts;
- (i) the assets listed on **Schedule “B”**; and
- (j) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement.

For greater certainty, the Purchase Price will not be adjusted or set off against for Excluded Assets.

ARTICLE 3 ASSUMED LIABILITIES

Section 3.1 Assumed Liabilities.

Subject to the Closing, and except for the Excluded Liabilities, the Purchaser, or in the case of the Transferred Employees and Liabilities related to the Transferred Employees, an Affiliate of the Purchaser as the Purchaser may direct, if applicable, agrees to assume, as of the Time of Closing or such later time as is contemplated by this Agreement, all of the Vendor’s obligations and liabilities (and no other obligations or liabilities) relating to (collectively, the “**Assumed Liabilities**”):

- (a) the Purchased Assets arising and accruing in respect of the period after the Time of Closing and not related to any default existing at, prior to or as a consequence of Closing (which excludes all obligations and liabilities in connection with the Assigned Contracts, the assumption of obligations and liabilities of which is dealt with pursuant to Article 4);
- (b) the obligations and liabilities of the Vendor with respect to the Transferred Employees that are expressly assumed by the Purchaser or its Affiliate pursuant to this Agreement; and
- (c) any other liability which the Purchaser agrees in writing to assume on or before the Closing Date.

Section 3.2 Excluded Liabilities.

- (1) Other than the Assumed Liabilities and the Contract Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill any liability or obligation of the Vendor or in connection with the Purchased Assets or the Business (the “**Excluded Liabilities**”), whether known, unknown, direct, indirect, absolute, contingent or otherwise or arising out of facts, circumstances or events, in existence on or prior to the Time of Closing (with respect to the Assumed Liabilities) or, subject to Article 4, on or prior to the date on which a contract to which the Vendor is a party becomes an Assigned Contract, respectively (with respect to the Contract Assumed Liabilities).
- (2) Without limiting the generality of (1), the Purchaser shall not assume and shall have no obligation in respect of: (i) any of the Excluded Assets; (ii) except as expressly provided herein, any liabilities of the Vendor for Taxes other than Transfer Taxes payable by the Purchaser pursuant to Section 6.2; (iii) any claims asserted against the Vendor in the Excluded Litigation; or (iv) the Profit Sharing Plan.

**ARTICLE 4
ASSIGNMENT AND ASSUMPTION OF CONTRACTS AND LEASES**

Section 4.1 Assignment of Assigned Contracts.

- (1) On or prior to the Bid Deadline, the Purchaser may, in its sole discretion, designate any contract to which the Vendor is a party to become an Assigned Contract.
- (2) Subject to Section 4.2, on Closing the Vendor shall be deemed to have assigned the benefit of any Assigned Contract and the Purchaser shall be deemed to have assumed, all of the Vendor’s obligations and liabilities relating to such Assigned Contract arising and accruing in respect of the period after Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such Assigned Contract (collectively, the “**Contract Assumed Liabilities**”), in each case without payment of any additional consideration.

Section 4.2 Consent Required Contracts.

- (1) Nothing in this Agreement shall be construed as an agreement to assign any Consent Required Contract, unless the consent, approval or waiver required to assign such Consent Required Contract has been given or an Assignment Order has been made with respect to such Consent Required Contract.
- (2) The Vendor and the Purchaser shall use reasonable commercial efforts to obtain the consents, approvals and waivers required for the assignment of the Consent Required Contracts that are designated as Assigned Contracts. Other than the payment of Cure Payments in accordance with this Agreement, which the Purchaser shall be required to pay, the Purchaser shall be under no obligation to pay any money, incur any obligations, commence any legal proceedings, or offer or grant any accommodation (financial or otherwise) to any third party in order to obtain any consent, approval or waiver for any Consent Required Contract.
- (3) Upon request by the Purchaser, the Vendor shall obtain the Assignment Order, should the Purchaser and Vendor not otherwise obtain any of the consents provided for in (2) above.

**ARTICLE 5
PURCHASE PRICE**

Section 5.1 Purchase Price.

- (1) The aggregate purchase price for the Purchased Assets shall be made up of the following amounts (in aggregate, the “**Purchase Price**”), in each case exclusive of Transfer Taxes:
 - (a) \$261,845.00 less the amount of the Credit Bid Debt; *plus*
 - (b) The amount of the Credit Bid Debt; *plus*
 - (c) The aggregate amount of the Assumed Liabilities and the Contract Assumed Liabilities.

Section 5.2 Payment of Purchase Price.

The Purchase Price shall be satisfied by the Purchaser on Closing as follows:

- (a) as to the amount referred to in Section 5.1(1) (a), by wire transfer of immediately available funds on Closing payable to the Proposal Trustee, in trust (the “**Cash Amount**”);
- (b) as to the amount referred to in Section 5.1(1) (b), by cancellation of the Credit Bid Debt; and
- (c) as to the dollar value of the Assumed Liabilities and the Contract Assumed Liabilities, by the Purchaser assuming the Assumed Liabilities and the Contract Assumed Liabilities.

Section 5.3 Allocation of Purchase Price.

The Parties covenant and agree with each other that the Purchase Price shall be allocated among the Purchased Assets, and that such Purchase Price allocation shall be mutually agreed upon by the Parties no later than two (2) Business Days prior to the Closing Date. The Parties agree to cooperate in the filing of such elections under applicable Tax codes or statutes as may be necessary or desirable to give effect to such allocation for Tax purposes. The Parties agree to prepare and file their respective tax returns in a manner consistent with the aforesaid allocations and elections.

Section 5.4 Adjustment of Purchase Price.

Other than in accordance with Section 5.1(1) (a), the Purchase Price shall not be adjusted in any manner whatsoever.

ARTICLE 6 TAX MATTERS

Section 6.1 ETA Elections.

- (1) The Purchaser and the Vendor acknowledge and agree that the Purchaser is acquiring ownership, possession and use of substantially all of assets reasonably necessary for the Purchaser to carry on the Business and that the purchase and sale of the Purchased Assets shall be completed on the basis that no GST/HST (and no Tax imposed under any provision of any applicable provincial or territorial legislation imposing a similar value-added or multi-staged Tax) will be payable by the Purchaser in respect of the purchase and sale of the Purchased Assets.
- (2) The Purchaser and the Vendor shall jointly elect under subsection 167(1) of the *Excise Tax Act* (Canada) (the “*ETA*”) and any equivalent or comparable corresponding provision under any applicable provincial or territorial legislation, in the form prescribed for the purposes of each such provision, in respect of the sale and transfer of the Purchased Assets and the Purchaser shall file such elections with the applicable tax authorities within the time and in the manner required by the applicable Law.

Section 6.2 Transfer Taxes.

Subject to any available elections or exemptions contemplated by Section 6.1, the Purchaser shall be liable for and shall pay all federal and provincial sales taxes and all other similar Taxes or other like charges of any jurisdiction (“**Transfer Taxes**”) (for greater certainty, excluding all income or capital taxes of the Vendor) properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser.

Section 6.3 Income Tax Elections.

- (1) The Purchaser and the Vendor shall elect jointly in the prescribed form under section 22 of the *Income Tax Act* (Canada) (the “*ITA*”) and the corresponding provisions of any other applicable provincial Tax statute as to the sale of the Accounts Receivable forming part of the Purchased Assets and designate in such election an amount equal to the portion of the

Purchase Price allocated to the Accounts Receivable pursuant to Section 5.3. This election, or these elections, shall be made within the time prescribed for such elections.

- (2) The Purchaser and the Vendor shall, if applicable, jointly execute and file an election under subsection 20(24) of the *ITA* in the manner required by subsection 20(25) of the *ITA* and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the *ITA* and under any other applicable provincial statute as to such amount paid by the Vendor to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendor acknowledge that a portion of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *ITA* and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.
- (3) The Purchaser and the Vendor shall also execute and deliver such other Tax elections and forms as they may mutually agree upon.

ARTICLE 7 EMPLOYEE MATTERS

Section 7.1 Offer to Employees.

The Purchaser or its Affiliate, as designated by the Purchaser in its sole discretion, shall make written offers of employment to such employees of the Business as the Purchaser determines, no later than five (5) Business Days prior to the Closing Date, which offers shall be conditional upon Closing, and the terms and conditions of such written offers of employment shall be substantially similar to the respective terms and conditions of employment existing as of the Closing Date, and the Purchaser shall acknowledge the prior service of the employees for all purposes required by law.

Section 7.2 Employee Plans.

The Purchaser or its Affiliate shall assume the Employee Plans and the liability for accrued benefits or any other liability under or in respect of any of the Employee Plans.

Section 7.3 Employee Liability.

- (1) The Vendor shall be liable for all salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of all employees of the Vendor for the period prior to the Closing Date.
- (2) The Vendor shall be liable for statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of any employees of the Vendor who do not accept the Purchaser's offer of employment.
- (3) Without limiting the Purchaser's obligations in respect of the Transferred Employees, the Purchaser or its Affiliate, as applicable, shall be responsible for:

- (a) All liabilities for salary, wages, bonuses, commissions, vacation pay, and other compensation relating to employment of the Transferred Employees in accordance with the offer made to such Transferred Employees by the Purchaser for the period on or after the Closing Date; and
- (b) All statutory notice of termination or payment in lieu of notice obligations and statutory severance obligations in respect of the termination by the Purchaser of the employment of any Transferred Employee arising on or after the Closing Date.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Section 8.1 Vendor Representations and Warranties.

The Vendor represents and warrants as follows to the Purchaser at the date of this Agreement and at the Closing Date and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Assets and the assumption of the Assumed Liabilities and the Contract Assumed Liabilities:

- (1) **Incorporation and Qualification.** The Vendor is a corporation duly incorporated and existing under the laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement.
- (2) **Authorization.** The execution and delivery of and performance by the Vendor of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Vendor.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding agreement of the Vendor, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.
- (4) **Residence.** The Vendor is not a non-resident of Canada for purposes of the *ITA*.
- (5) **Registration.** The Vendor is registered under Part IX of the *ETA* and its registration number is 729553735RT001. The Vendor is registered under any other comparable provincial legislation in each other province where the nature of the Vendor's business requires such registration.
- (6) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Vendor.

- (7) **Collective Agreement.** There is no collective agreement in force with respect to the Business or any of the employees of the Business nor is there any contract or agreement with any employee association in respect of the Business or the employees of the Business.

Section 8.2 Purchaser's Representations and Warranties.

The Purchaser represents and warrants as follows to the Vendor at the date of this Agreement and at the Closing Date and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

- (1) **Incorporation and Qualification.** The Purchaser will be an entity formed or incorporated in its jurisdiction of formation or incorporation as the case may be.
- (2) **Corporate Authority.** The execution and delivery of and performance by the Purchaser of this Agreement and the consummation of the transactions contemplated by it have been authorized by all necessary corporate action on the part of the Purchaser.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under applicable laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction and (B) as of the Closing Date, the issuance of the Approval and Vesting Order.
- (4) **Registration.** The Purchaser will, prior to Closing, be registered under Part IX of the *ETA* and under comparable provincial legislation in each other province where the Purchaser is required to be registered for purposes of any election to be made pursuant to Section 6.1.
- (5) **Brokers and Finders.** There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Purchaser.

Section 8.3 Survival.

The representations and warranties contained in this Agreement shall merge on Closing.

Section 8.4 No Other Representations or Warranties of the Vendor; "As Is, Where Is".

- (1) The representations and warranties given by the Vendor in Article 8 are the sole and exclusive representations and warranties of the Vendor in connection with this Agreement and the transactions contemplated by it. Except for the representations and warranties given by the Vendor in Article 8, the Purchaser did not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or

otherwise, regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith.

- (2) The Purchaser hereby acknowledges and agrees as follows:
- (a) Except as expressly provided herein, the Purchased Assets are being purchased on an “as is, where is” basis;
 - (b) Except as expressly set forth in this Agreement, the Vendor and the Proposal Trustee make no representations, or warranties in favour of the Purchaser concerning the Purchased Assets, which the Purchaser acknowledges are being acquired on an “as is, where is” basis, whether express or implied, statutory or collateral, arising by operation of Laws or otherwise, including express or implied warranties of merchantability, fitness for a particular purpose, title, description, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Ontario) or other Laws do not apply to the transaction contemplated herein and are hereby waived by the Purchaser; and
 - (c) without limiting the generality of Section 8.4(1) above, the Purchaser acknowledges that it has completed its due diligence or has otherwise waived any further due diligence.

ARTICLE 9 COVENANTS

Section 9.1 Conduct of Business in the Ordinary Course.

During the period up to the Closing Date, the Vendor shall use commercially reasonable efforts to (i) conduct the Business in the Ordinary Course consistent with past practice; and (ii) use its best efforts to maintain and preserve intact its current Business organization and operations and to preserve the rights, goodwill and relationships of its employees, customers, lenders, suppliers, regulators and others having relationships with the Business, in each case except to the extent required to allow the Vendor to comply with any of its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to the commercial proposal process under the *BIA* and any Court order relating thereto and to the Vendor cash flow forecasts filed by the Proposal Trustee. Except with the prior written consent of the Purchaser, the Vendor shall not enter into, amend, disclaim, restate or allow there to occur a default under any Material Contract.

Section 9.2 Actions to Satisfy Closing Conditions.

The Vendor and the Purchaser agree to take all such actions as are within their respective control and shall use their respective commercially reasonable efforts to take, or cause to be taken, all other actions and make all such other filings and submissions, and obtain such authorizations, which are necessary or advisable in order to (i) fulfil their respective obligations under this Agreement; and (ii) assist with the satisfaction of and ensure all conditions for the benefit of the other Party provided for in Section 10.2, Section 10.3 and Section 10.4 are satisfied.

Section 9.3 Access.

Subject to applicable Laws, the Vendor shall (i) upon reasonable notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the Purchased Assets, including all books and records whether retained by the Vendor or otherwise, (B) all contracts and leases to which any of the Vendor is a party, (C) personnel files relating to the employees of the Vendor (which shall be maintained in strict confidence by the Purchaser and only used for the purpose of considering and/or making employment offers to employees), and (D) the senior personnel of the Vendor, so long as the access does not unduly interfere with the ordinary conduct of the Business; and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser from time to time reasonably requests.

Section 9.4 Access to Books and Records.

For a period of seven (7) years from the Closing Date or for such longer period as may be required by Law, the Purchaser will use its reasonable commercial effects, without any liability to the Vendor, to retain all original books and records relating to the Purchased Assets that are transferred to the Purchaser under this Agreement. So long as any such books and records are retained by the Purchaser pursuant to this Agreement, the Vendor, the Proposal Trustee, any receiver or bankruptcy trustee appointed in respect of the Vendor and their respective representatives shall have the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser. The Purchaser has the right to have its representatives present during any such inspection.

Section 9.5 Use of Business Name.

On or promptly following the Closing Date, and except as may be required for purposes of the Proposal Proceedings, the Vendor shall discontinue use of the names “Harbour Technologies” and “Reactor Engineering Group Ltd.”, and any variations thereof, except where legally required to advise that its name has been changed to another name or to refer to the historical fact that the Vendor previously conducted the Business under the “Reactor Engineering Group Ltd.” and “Harbour Technologies” names, and the Vendor shall, subject to the Court’s approval, as soon as reasonably practicable following Closing file articles of reorganization to change the corporate name of the Vendor to another name if requested by the Purchaser, acting reasonably, and otherwise not confusingly similar to its present name. To the extent necessary as determined by the Purchaser, in its sole discretion, and subject to the Court’s approval, the Approval and Vesting Order shall authorize and direct the appropriate Governmental Authority to accept such articles of reorganization, notwithstanding the insolvency of the Vendor.

Section 9.6 Post-Closing Accounts Receivable

- (1) As of the Closing Date, the Purchaser shall, as agent for the Vendor, bill and collect Accounts Receivable related to Assigned Contracts.
- (2) The Purchaser agrees that, after the Closing, it shall hold and shall promptly transfer and deliver to the Proposal Trustee or any trustee-in-bankruptcy appointed with respect to the

Vendor, from time to time as and when received by the Purchaser, any cash, checks with appropriate endorsements or other collections on Accounts Receivable or other property that the Purchaser may receive on or after the Closing which properly belongs to or is for the account of the Vendor according to the terms of this Agreement, including any Excluded Assets.

- (3) Subject to Section 9.6(2) above, as of the Closing Date, the Vendor hereby:
 - (a) authorizes the Purchaser to open any and all mail addressed to Vendor related to the Business or the Purchased Assets and delivered to the Premises or otherwise to Purchaser if received on or after the Closing Date; and
 - (b) appoints the Purchaser to endorse, cash and deposit any monies, checks or negotiable instruments received by Purchaser after the Closing Date with respect to accounts receivable relating to work performed by Purchaser after the Closing, as the case may be, made payable or endorsed to the Vendor or its order, for the Purchaser's own account.

ARTICLE 10 SALE PROCESS AND CONDITIONS OF CLOSING

Section 10.1 Sales Process

- (1) The Vendor shall bring a motion for the Sales Process Order on or before January 30, 2026 (subject to the Court's availability). The Sales Process Order shall recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"). The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a Superior Bid (as defined herein) can be obtained for the Purchased Assets.
- (2) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee in the amount of \$75,000 (inclusive of HST, if any) (the "**Break Fee**") payable by the Vendor to the Purchaser only in the event that a successful bid other than the Stalking Horse Bid is accepted by the Vendor, approved by the Court and completed. The payment of the foregoing amounts shall be approved in the Sales Process Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Winning Bid. The Parties acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the expenses that will be incurred by the Purchaser as a result of preparing for and entering into this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the Purchased Assets, Business, Assumed Liabilities and Contract Assumed Liabilities. For certainty, the Break Fee does not form part of the Purchase Price.
- (3) In the event that one or more Persons submits a Qualified Bid on or before the Bid Deadline, the Proposal Trustee shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the

selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Vendor. The Vendor shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.

- (4) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Section 10.1(3) above to approve a transaction with such Winning Bidder (the “**Alternate Transaction**”), this Agreement shall be terminated and the Purchaser shall be entitled to the Break Fee (if applicable and as soon as practicable) and neither Party hereto shall have any further liability or obligation, except as expressly provided for in this Agreement.
- (5) If no Qualified Bids are received by the Bid Deadline (other than the Stalking Horse Bid), the Vendor shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

Section 10.2 Conditions for the Benefit of both Parties.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date:

- (1) **No Court Orders.** No provision of any applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect; and
- (2) **Approval and Vesting Order.** The Approval and Vesting Order shall have been issued and entered and shall not have been stayed, amended, appealed, modified, reversed or dismissed as at the Closing Date.

Section 10.3 Conditions for the Benefit of the Purchaser.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date;
- (2) **Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Vendor of the documents and instruments contemplated by Section 11.2;

- (3) **No Bankruptcy.** Other than as a direct result of any action or inaction of any Person related to the Purchaser (including, for greater certainty, the DIP Lender), the Vendor shall not be and shall not have become a bankrupt under the *BIA*;
- (4) **Consents.** The Vendor shall have obtained consents from the counterparties to the Consent Required Contracts that have been designated as Assigned Contracts from the counterparties to those agreements and shall have delivered such consents to the Purchaser; and
- (5) **Assignment Order.** The Assignment Order, if requested by the Purchaser, shall have been issued and entered in form and substance satisfactory to the Purchaser.

Section 10.4 Conditions for the Benefit of the Vendor.

The purchase and sale of the Purchased Assets is subject to the following conditions to be fulfilled or performed on or before the Closing Date, which are for the exclusive benefit of the Vendor and which may be waived, in whole or in part, by the Vendor in its sole discretion:

- (1) **Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date in all material respects, with the same force and effect as if such representations and warranties had been made on and as of such date; and
- (2) **Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it in all material respects at or prior to the Closing Date, including delivery by the Purchaser of the documents and instruments contemplated by Section 11.3.

ARTICLE 11 CLOSING

Section 11.1 General.

- (1) The completion of the transactions of purchase, sale and assumption contemplated by this Agreement (the “**Closing**”) shall take place electronically on the Closing Date, at the Time of Closing, or via such other place as may be agreed upon in writing by the Parties.
- (2) As soon as practicable following the determination that this Agreement is the Winning Bid pursuant to the Sales Process, the Vendor shall file motion materials seeking the issuance of the Approval and Vesting Order, provided that the Purchaser has had a reasonable opportunity to review and approve such materials, acting reasonably, in advance of filing with the Court. The Vendor shall serve notice of the motion seeking the issuance and entry of the Approval and Vesting Order on all Persons determined reasonably necessary by the Purchaser and shall provide reasonable advance notice of any Court appearances so that the Purchaser may make arrangements to attend if it so desires.
- (3) The Parties hereby acknowledge and agree that the Proposal Trustee shall be entitled in accordance with the Approval and Vesting Order to file a certificate, substantially in the form attached to the Approval and Vesting Order (the “**Proposal Trustee’s Certificate**”),

with the Court upon receiving written confirmation from the Vendor and the Purchaser that all conditions of Closing have been satisfied or waived.

Section 11.2 Vendor's Closing Deliveries.

At the Closing, the Vendor shall execute and/or deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a true and complete copy of the Approval and Vesting Order, as entered by the Court;
- (c) if requested by the Purchaser a true and complete copy of the Assignment Order, as entered by the Court;
- (d) true and complete copies of the Assigned Contracts to which the Vendor is a party, to the extent not delivered prior to Closing;
- (e) such executed Tax elections as are required pursuant to Article 6;
- (f) a true and complete copy of the Proposal Trustee's Certificate executed by the Proposal Trustee (such Proposal Trustee's Certificate to be filed with the Court by the Proposal Trustee following Closing and a copy of such filed Proposal Trustee's Certificate shall be delivered to the Purchaser promptly thereafter); and
- (g) any other documents necessary or desirable in the opinion of the Purchaser, acting reasonably.

Section 11.3 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall execute and/or deliver or cause to be delivered to the Vendor the following:

- (a) subject to Section 13.3, the payment contemplated by Section 5.2 (a);
- (b) payment of any applicable Transfer Taxes;
- (c) such executed Tax elections as are required pursuant to Article 6; and
- (d) any other documents necessary or desirable in the opinion of the Vendor, acting reasonably.

ARTICLE 12 TERMINATION

Section 12.1 Termination of Agreement.

This Agreement may by notice in writing given prior to or on the Closing Date be terminated:

- (a) by mutual consent of the Vendor and the Purchaser;
- (b) by the Purchaser or the Vendor if the Approval and Vesting Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (c) by the Purchaser (unless waived by the Purchaser) if the Assignment Order shall fail, once granted, to be in full force and effect or shall have been amended, appealed, modified, reversed or dismissed without the prior written consent of the Purchaser;
- (d) by the Purchaser if an event has occurred as a result of which the conditions in Section 10.3 are not capable of being satisfied by the Outside Date, as determined by the Purchaser in its sole discretion; or
- (e) automatically if the Closing has not occurred by 11:59 p.m. on the Outside Date.

Section 12.2 Effect of Termination.

In the event that the Agreement is terminated in accordance with Section 12.1, then each of the Parties shall be relieved of its duties and obligations arising under this Agreement, including with respect to the payment of the Break Fee, effective as of the date of such termination and such termination shall be without liability to the Purchaser and the Vendor, including without limitation in respect of any Liabilities accrued from the date of execution of this Agreement to the date of termination.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) to the Vendor:

Reactor Engineering Group Ltd.
2545 Doty Place
Windsor, Ontario N8X 2W5

Attention: Andrew Glover and David Glover
Emails: aglover@harbour-tech.com and dglover@harbour-tech.com

with a copy to the Proposal Trustee at:

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

Attention: Matthew Marchand and Martin Chan
Email: mmarchand@bdo.ca and mchan@bdo.ca

with a copy to the Proposal Trustee's counsel:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Kyle Plunkett and Cristian Delfino
Email: kplunkett@airdberlis.com and cdelfino@airdberlis.com

with a copy to BDO Transaction Advisory:

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

Attention: Michael Morrow and Salman Virani
Email: mmorrow@bdo.ca and svirani@bdo.ca

(b) to the Purchaser:

ATMIS Protective Equipment Inc.
830 Richmond Street
Chatham, Ontario N7M 5J5

Attention: Andy Valentine
Email: avalentine@atmis.ca

A Notice is deemed to be given and received if sent by personal delivery, courier or electronic mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

Section 13.2 Assignment.

- (1) Except as provided in this Section 13.2, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Parties.
- (2) Upon giving notice to the Vendor at any time on or prior to two (2) Business Day prior to the date of the hearing for the Approval and Vesting Order, the Purchaser is entitled to assign this Agreement or any of its rights under this Agreement to any Person in its sole discretion; provided that the assignee enters into an assignment and assumption agreement with the Vendor, in a form approved by the Proposal Trustee acting reasonably. The Purchaser and its assignee shall be jointly and severally liable for all obligations and liabilities under this Agreement until the successful completion of this transaction contemplated hereunder.

Section 13.3 Survival.

Any provision of this Agreement which contemplates performance or the existence of obligations after the Closing Date shall not be deemed to be merged into or waived by the execution, delivery or performance of this Agreement or documents delivered in connection herewith or Closing, but shall expressly survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement and shall be binding upon the Party or Parties obligated thereby (including any trustee-in-bankruptcy appointed in respect of such Party) in accordance with the terms of this Agreement.

Section 13.4 Time of the Essence.

Time is of the essence in this Agreement.

Section 13.5 Enurement.

This Agreement becomes effective when executed by the Vendor and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors, legal representatives and permitted assigns.

Section 13.6 Confidentiality

- (1) Unless and until this Agreement is terminated prior to Closing, the Purchaser shall maintain as confidential any Confidential Information of the Vendor including such information relating to any of the Purchased Assets, the Business and the assumed liabilities.
- (2) The Parties will cooperate and consult with one another, to the extent reasonably practical, with respect to the issuance of any press release or other public statement regarding this Agreement and the transaction contemplated hereunder.

Section 13.7 Entire Agreement.

This Agreement and the other documents executed in connection herewith constitutes the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 13.8 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.

Section 13.9 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

Section 13.10 Further Assurances.

From and after the Closing Date, each of the Parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively transfer the Purchased Assets, the Assumed Liabilities and the Contract Assumed Liabilities to the Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.

Section 13.11 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable, by any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 13.12 Governing Law.

This Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 13.13 Jurisdiction.

The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising under or related to this Agreement.

Section 13.14 Counterparts.

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[signature page follows]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first written above.

) **REACTOR ENGINEERING GROUP LTD.**

)
)
)
)
)
)
)
)
)

Per:



Name: Andrew Glover

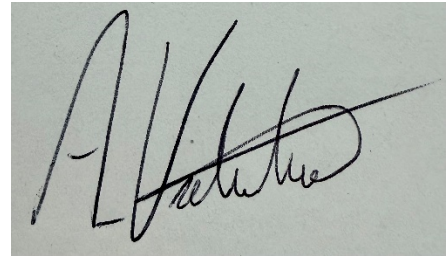
Title: President

I have the authority to bind the corporation

) **ATMIS PROTECTIVE EQUIPMENT INC.**

)
)
)
)
)
)
)
)
)

Per:



Name: Andy Valentine

Title: President

I have the authority to bind the corporation

SCHEDULE "A"
STALKING HORSE SALE AND INVESTMENT SOLICITATION PROCESS
INCLUDING AUCTION PROCEDURE

[INSERT UPDATED SISP PROCEDURES]

SCHEDULE "B"
ASSIGNED CONTRACTS

1. the Real Property Leases
2. <*>

SCHEDULE "C"
EXCLUDED ASSETS

1. <*>

2. <*>

This is **Exhibit “G”** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Mariela Adriana Gasparini
A Commissioner for Taking Affidavits



Profile Report

ATMIS PROTECTIVE EQUIPMENT INC. as of January 07, 2026

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ATMIS PROTECTIVE EQUIPMENT INC.
Ontario Corporation Number (OCN)	2760316
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 12, 2020
Registered or Head Office Address	830 Richmond St, Chatham, Ontario, N7M 5J5, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 9

Active Director(s)

Name ANDREW GLOVER
Address for Service 9099 Riverside Drive East, 515, Windsor, Ontario, N8S 4P9,
Canada
Resident Canadian Yes
Date Began June 12, 2020

Name DAVID GLOVER
Address for Service 85 Boblo Island Blvd., Amherstburg, Ontario, N9V 4C4,
Canada
Resident Canadian Yes
Date Began June 12, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

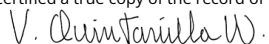
Active Officer(s)

Name ANDREW GLOVER
Position Treasurer
Address for Service 9099 Riverside Drive East, 515, Windsor, Ontario, N8S 4P9,
Canada
Date Began March 13, 2023

Name DAVID GLOVER
Position Secretary
Address for Service 85 Boblo Island Blvd., Amherstburg, Ontario, N9V 4C4,
Canada
Date Began June 12, 2020

Name ANDY VALENTINE
Position President
Address for Service 1083 Kent Avenue, Oakville, Ontario, L6H 1Z7, Canada
Date Began March 13, 2023

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

ATMIS PROTECTIVE EQUIPMENT INC.

Effective Date

June 12, 2020

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: ANDY VALENTINE	April 26, 2023
CIA - Initial Return PAF: ANDREW GLOVER - DIRECTOR	August 26, 2020
BCA - Articles of Incorporation	June 12, 2020

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

This is **Exhibit “H”** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 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

January 23rd, 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 28th, 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.

2. FEES

- 2.1 Our “fee base” for the services indicated in paragraph 1.1 would be **25-30%** 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 **25%** if claim is approved as filed.
- 2.1.2. Fee base will be **30%** 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: January 23rd, 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: January 23rd, 2026

Andrew Glover, President

This is **Exhibit "I"** referred to in the Affidavit of ANDREW GLOVER, sworn before me this 23rd day of January, 2026, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Mariela Adriana Gasparini
A Commissioner for Taking Affidavits

SECURED GRID PROMISSORY NOTE

January 7, 2026

ARTICLE 1 PROMISE TO PAY

Section 1.1 Promise to Pay.

FOR VALUE RECEIVED, REACTOR ENGINEERING GROUP LTD. (the "**Borrower**") acknowledges itself indebted and **PROMISES TO PAY, ON THE MATURITY DATE**, to or to the order of ATMIS PROTECTIVE EQUIPMENT INC. (the "**Lender**"), at its offices at 830 Richmond Street, Chatham, Ontario or such other place as the Lender may designate, the principal amount outstanding as recorded by the Lender in the column headed "**Unpaid Principal Balance**" on the record (the "**Grid**") attached to and forming part of this Note, together with interest thereon as hereinafter provided.

Section 1.2 Credit Facility.

- (1) The Lender shall make available to the Borrower a loan facility (the "**Credit Facility**") by one or more advances in Canadian Dollars (each an "**Advance**") in an aggregate principal amount not to exceed CAD\$110,000 (the "**Maximum Availability**"). For greater certainty, the Unpaid Principal Balance shall not at any time exceed the Maximum Availability. The Maximum Availability shall be reduced, dollar-for-dollar, by any amount advanced, by the Lender or otherwise, by way of Court-approved debtor-in-possession financing in the Borrower's proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, bearing Court File No. CV-26-00035949-0000 (the "**Proposal Proceedings**").
- (2) The Credit Facility shall be used by the Borrower to:
 - (a) finance working capital and general corporate requirements of the Borrower during the Proposal Proceedings; and
 - (b) pay certain costs that have been, and will be, incurred in the Proposal Proceedings, including but not limited to professional fees and disbursements.
- (3) It is acknowledged and agreed that the Credit Facility is an uncommitted demand facility, and notwithstanding any other provision of this Note, Advances under the Credit Facility may be provided at the sole and absolute discretion of the Lender, and the Lender may cancel and terminate the Credit Facility at any time, whether the Borrower is in default or breach of any term, covenant, condition or agreement contained in this Note.
- (4) The Borrower shall, at least three (3) Business Days before the requested disbursement date, deliver to the Lender a written notice setting out (i) the amount of the requested Advance, which amount must be in a minimum principal amount of CAD\$10,000; and (iii) the date on which the Advance is to be disbursed. Each Advance shall be subject to the prior written approval of the proposal trustee in the Proposal Proceedings (the "**Proposal Trustee**").
- (5) The Lender shall and is unconditionally and absolutely authorized and directed by the Borrower to record on the Grid (i) the date and amount of each Advance made by the Lender, and the resulting increase of the Unpaid Principal Balance, and (ii) the date and

amount of each repayment on account of the principal paid to the Lender and the resulting decrease of the Unpaid Principal Balance. Such notations, in the absence of manifest mathematical error, shall be *prima facie* evidence of such advances, amounts and repayments; provided that the failure of the Lender to record the same shall not affect the obligations of the Borrower to pay such amounts to the Lender. Notwithstanding the forgoing, the advances, amounts and repayments recorded on the Grid shall be subject to confirmation by the Proposal Trustee.

Section 1.3 Interest.

- (1) The Unpaid Principal Balance remaining from time to time unpaid and outstanding shall bear interest, both before and after maturity, default and judgment, at a rate per annum equal to equal to the prime commercial lending rate of Bank of Montreal from time to time, calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Interest at such rate shall be calculated and compounded monthly not in advance on the first day of each month after the date of the relevant Advance.
- (2) Notwithstanding Section 1.3(1) above, at the sole option of the Borrower, any interest on this Note shall be permitted to be paid in cash monthly, not in advance, on the first Business Day of any month..

Section 1.4 Repayment

The Unpaid Principal Balance of this Note together with all unpaid and accrued interest, fees, costs and expenses and other amounts owing hereunder (the "**Obligations**") shall be repaid in full on the earlier of (i) demand by the Lender upon default or breach by the Borrower of any term, covenant, condition or agreement contained in this Note and (ii) closing of a sale of all or substantially all of the Borrower's property and business in the sales and investment solicitation process to be conducted in the Proposal Proceedings (the "**Maturity Date**"). The Lender may demand repayment of the Obligations if the Borrower is in default or breach of any term, covenant, condition or agreement contained in this Note, provided the Lender gives five (5) Business Days' prior written notice to the Borrower and to the Proposal Trustee.

Section 1.5 Prepayments.

The Borrower shall have the right and privilege of prepaying the whole or any portion of the Unpaid Principal Balance of this Note from time to time remaining unpaid and outstanding at any time or times together with all unpaid and accrued interest to the date of prepayment. Each prepayment of any principal amount of this Note, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid.

**ARTICLE 2
INTERPRETATION**

Section 2.1 Defined Terms.

As used in this Note, the following terms have the following meanings:

"**Advance**" has the meaning specified in Section 1.2(1).

"**Agreed Currency**" has the meaning specified in Section 5.7.

"**Borrower**" has the meaning specified in Section 1.1.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which major commercial banks are closed in Toronto, Ontario.

“Collateral” has the meaning specified in Section 3.1(1).

“Credit Facility” has the meaning specified in Section 1.2(1).

“Court” means the Ontario Superior Court of Justice.

“Grid” has the meaning specified in Section 1.1.

“Indemnitee” has the meaning specified in Section 5.12.

“Judgment Currency” has the meaning specified in Section 5.7.

“Lender” has the meaning specified in Section 1.1.

“Maturity Date” has the meaning specified in Section 1.4.

“Maximum Availability” has the meaning specified in Section 1.2(1), subject to the provisions of Section 1.5.

“Note” means this secured grid promissory note, as amended, supplemented, restated or replaced from time to time.

“Obligations” has the meaning specified in Section 1.4.

“Parties” means the Lender and the Borrower and any other Person who may become a party to this Note.

“Person” means an individual, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, governmental entity or other entity, and pronouns have a similarly extended meaning.

“Proposal Proceedings” has the meaning specified in Section 1.2(1).

“Proposal Trustee” has the meaning specified in Section 1.2(4).

“Restricted Property” has the meaning specified in Section 3.3.

“Security Interest” has the meaning specified in Section 3.1.

“Unpaid Principal Balance” has the meaning specified in Section 1.1.

Section 2.2 Currency.

All references in this Note to CAD\$ or Dollars, unless otherwise specifically indicated, shall mean Canadian Dollars.

Section 2.3 Certain Phrases, etc.

In this Note, (i) the words “including” and “includes” mean “including (or includes) without limitation”; and (ii) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”, and references to “this

Note”, “hereof” and “herein” and like references refer to this Note and not to any particular Article, Section or other subdivision of this Note.

Section 2.4 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 2.5 Statutes.

Any reference in this Note to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended, re-enacted or replaced.

**ARTICLE 3
SECURITY**

Section 3.1 Security Interest.

- (1) To secure the due payment and performance by the Borrower of the Obligations, the Borrower grants to the Lender a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender, all of the property and undertaking of the Borrower now owned or hereafter acquired and all of the property and undertaking in which the Borrower now has or hereafter acquires any interest, including all of the Borrower’s present and after-acquired personal property (collectively, the “**Collateral**”), subject to the exceptions set forth in Section 3.3.
- (2) The Borrower acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a duplicate copy of this Note.
- (3) The Borrower irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement (and any verification statement relating to the same) registered in respect of this Note.

Section 3.2 Security Interest Valid Irrespective of Advance of Money.

The security interests, mortgages, charges, hypothecs and pledges hereby created (collectively, the “**Security Interest**”) shall have effect and be deemed to be effective whether or not the monies or obligations hereby secured or any part thereof shall be advanced or owing or in existence before or after or upon the date of this Note and neither the giving of this Note nor any advance of funds shall oblige the Lender to advance any funds or any additional funds.

Section 3.3 Excluded Property.

The Collateral excludes (A) any consumer goods, (B) the last day of the term of any lease or any agreement to lease held by the Borrower now or in the future; however, should the Security Interest created by this Note become enforceable the Borrower shall hold the last day in trust for the Lender and shall assign it to any person acquiring that term or the part of the term that is mortgaged and charged in the course of any enforcement of the Security Interest or any realization of the Collateral, or alternately, the Lender may assign the last day as attorney of the Borrower or may appoint any person acquiring the term or any other person or persons as a new trustee or trustees of the last day, free of any obligation regarding the last day, and (C) any

lease, agreement, contractual right, franchise, licence or approval, other than an account or chattel paper (collectively, "**Restricted Property**") held by the Borrower now or in the future if the Security Interest created by this Note would otherwise result in a breach, forfeiture or termination of the Restricted Property unless any necessary consent or waiver is obtained. The Borrower shall, on request by the Lender, promptly use all commercially reasonable efforts to seek any necessary consent or waiver to have the Restricted Property form part of the Collateral and to any disposition of the Restricted Property upon enforcement of this Note. If a consent or waiver is obtained, the applicable Restricted Property shall form part of the Collateral without any further action. If any consent or waiver is not obtained, and if the Security Interest created by this Note becomes enforceable, the Borrower shall hold any Restricted Property for which a consent or waiver has not been obtained and its benefits in trust for the Lender, and shall perform its obligations and exercise and enforce its rights under that Restricted Property, including rights of disposition, at the direction of the Lender.

Section 3.4 Continuing Security.

Notwithstanding the principal sum expressed to be payable under this Note or the stipulated rate of interest, this Note and any other security given with the Lender's consent in replacement thereof, substitution therefor or in addition thereto shall be held by the Lender as general and continuing security for due payment and performance of all Obligations, including all costs and amounts payable pursuant to this Note and interest on the Obligations at the rate or rates applicable thereto in accordance with this Note. Any and all payments made at any time in respect of the Obligations and the proceeds realized from any Collateral held therefor (including moneys realized from the enforcement of this Note) may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the Obligations as the Lender sees fit. The Lender may hold as additional security any increase or profits or other proceeds realized from the Collateral (including money) for such period of time as the Lender sees fit. The Borrower shall be accountable for any deficiency and the Lender shall be accountable for any surplus.

Section 3.5 Discharge.

The Security Interest will be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Obligations, and (ii) the Lender having no obligations hereunder. Upon discharge of the Security Interest and at the request and expense of the Borrower, the Lender will execute and deliver to the Borrower such releases, discharges, financing statements and other documents or instruments as the Borrower may reasonably require and the Lender will redeliver to the Borrower, or as the Borrower may otherwise direct the Lender, any Collateral in its possession.

ARTICLE 4 REMEDIES AND ENFORCEMENT

Section 4.1 General.

Upon the Borrower failing to pay or perform any of the Obligations owing hereunder when due: (a) the Security Interest will become immediately enforceable; (b) the Lender may, in its discretion, exercise all of the rights and remedies of a secured party under applicable law, including without limitation, the right to appoint any Person or Persons to be a receiver or receiver and manager of the Collateral; and (c) the Lender may, in its discretion, exercise any other right or recourse and proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the Obligations to the Lender. Notwithstanding the foregoing, the Lender shall give five (5) Business Days' prior written notice to the Borrower and to the Proposal Trustee of any action to be taken by the Lender pursuant to

this section Section 4.1, and shall obtain an order of the Court lifting the stay in the Proposal Proceedings before taking any action described in this section Section 4.1.

Section 4.2 Insolvency.

Without limitation of the right of the Lender to demand payment of all amounts outstanding hereunder at any time, upon the occurrence of:

- (a) a decree or order of a court of competent jurisdiction is entered adjudging the Borrower a bankrupt or insolvent or approving as properly filed a petition seeking the winding up of the Borrower under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of the Borrower or ordering the winding up or liquidation of its affairs (provided that the Proposal Proceedings are excluded from the forgoing); or
- (b) the Borrower makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition (provided that the Proposal Proceedings are excluded from the forgoing);

and, then without prejudice to the other rights of the Lender, without any notice or action of any kind by the Lender, and without presentment, demand or protest, the Obligations will immediately become due and payable and the Credit Facility shall immediately terminate.

Section 4.3 Remedies Cumulative.

For greater certainty, it is expressly understood that the respective rights and remedies of the Lender hereunder or under any instrument executed pursuant to this Note may be exercised from time to time separately or in combination, are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or, breach of any term, covenant, condition or agreement contained in this Note will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled in connection with such default or breach.

Section 4.4 Receiver's Powers.

- (1) Any receiver appointed by the Lender shall be vested with the rights and remedies which could have been exercised by the Lender in respect of the Borrower or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration shall be within the sole discretion of the Lender, acting reasonably.

- (2) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Borrower. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Borrower or as agent for the Lender as the Lender may determine in its discretion. The Borrower agrees to ratify and confirm all actions of the receiver acting as agent for the Borrower, and to release and indemnify the receiver in respect of all such actions.
- (3) The Lender, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Borrower or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

Section 4.5 Dealing with the Collateral.

- (1) The Lender shall not be obliged to exhaust its recourse against the Borrower or any other Person or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable.
- (2) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other Persons, sureties or securities as they may see fit without prejudice to the Obligations, the liability of the Borrower or the rights of the Lender in respect of the Collateral.
- (3) Except as otherwise provided by law or this Note, the Lender shall not be (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Notices.

Any notice, direction or other communication given under this Note shall be in writing and given by delivering it or sending it by facsimile or other similar form of recorded communication addressed:

- (a) to the Borrower at:
Reactor Engineering Group Ltd.
2545 Dory Place
Windsor, ON N8X 2W5
Attention: Andrew Glover, David Glover
Email: aglover@harbour-tech.com,
dglover@harbour-tech.com

with a copy to the Proposal Trustee at:

BDO Canada Limited
20 Wellington Street East, Suite 500
Toronto, ON M5E 1C5
Attention: Matthew Marchand
Email: mmarchand@bdo.ca

- (b) to the Lender at:
ATMIS Protective Equipment Inc.
830 Richmond Street
Chatham, ON N7M 5J5
Attention: Andy Valentine, President
Email: avalentine@atmis.ca

Any such communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day; or (ii) if transmitted by email or similar means of recorded communication on the date of such transmission if such date is a Business Day and such transmission was made prior to 4:00 p.m. (local time in the place of receipt) and otherwise on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

Section 5.2 Third Party Beneficiaries.

The Lender and the Borrower intend that this Note shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Borrower and the Lender and no Person other than the Lender and the Borrower shall be entitled to rely on the provisions of this Note in any action, suit, proceeding, hearing or other forum.

Section 5.3 Amendments, etc.

No amendment or waiver of any provision of this Note is effective unless in writing and approved by the Lender and the Borrower. Any amendment, waiver or consent is effective only in the specific instance and for the specific purpose for which it was given.

Section 5.4 Successors and Assigns.

- (1) This Note shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns.
- (2) The Borrower shall not have the right to assign its rights or obligations under this Note or any interest in this Note without the prior consent of the Lender, which consent may be arbitrarily withheld. The Lender shall have the right at any time and from time to time to assign or grant participations (or both) in all or any portion of its rights under this Note (including its rights with respect to the Obligations and the Security Interest).
- (3) The Borrower shall provide such certificates, acknowledgments and further assurances in respect of this Note as such Lender may reasonably require in connection with any participation or assignment pursuant to Section 5.4.
- (4) Any assignment by the Lender shall become effective when the Borrower has been notified of the assignment and the assignee has executed an assumption agreement reasonably requested by the Lender by which the assignee assumes the obligations of the Lender and agrees to be bound by all the terms and conditions of this Note. Any assignee shall be treated as if it were the Lender, shall be entitled to the benefit of this Note and shall be subject to the obligations of the Lender as if it were an original signatory to this Note, in each case to the extent of the rights and obligations assigned to it. The Lender shall be released and discharged of the obligations it has assigned.
- (5) Any assignment or grant of participation pursuant to Section 5.4 will not constitute a repayment by the Borrower to the assigning or granting Lender of any amount outstanding under this Note and the parties acknowledge that the Borrower's obligations under this Note will continue and will not constitute new obligations.

Section 5.5 Waiver.

No failure on the part of the Lender to exercise and no delay in exercising, any right under this Note shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this Note preclude any other or further exercise of such right or the exercise of any other right. The rights and remedies of the Lender hereunder are cumulative and not exclusive of any rights or remedies provided by law.

Section 5.6 Presentment, Withholdings, etc.

The Borrower and all endorsers of this Note waive presentment for payment, demand and protest and notice of protest and notice of non-payment, and agree and consent to all extensions or renewals of this Note without notice. All payments made pursuant to this Note shall be made free and clear of any withholdings and without any set-off or counterclaim of any kind whatsoever.

Section 5.7 Currency.

If a judgment or order is rendered by any court or tribunal for the payment of any amount owing to the Lender hereunder or for the payment of damages in respect of any breach of this Note, or under or in respect of a judgment or order of another court or tribunal for the payment of those amounts or damages, and the judgment or order is expressed in a currency (the "**Judgment Currency**") except the currency payable hereunder (the "**Agreed Currency**"), the

Borrower shall indemnify and hold the Lender harmless against any deficiency in terms of the Agreed Currency in the amounts received by the Lender arising or resulting from any variation as between (a) the actual rate of exchange at which the Agreed Currency is converted into the Judgment Currency for the purposes of the judgment or order, and (b) the actual rate of exchange at which the Lender is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by the Lender on the date of receipt. The obligations in this Section shall survive termination of this Note.

Section 5.8 Usury.

The parties intend to comply with applicable law relating to usury. Notwithstanding any other provision of this Note, in no event shall it require the payment or permit the collection of interest or other amounts in an amount or at a rate in excess of the amount or rate that is permitted by applicable law or in an amount or at a rate that would result in the receipt by the Lender of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada). If from any circumstance whatever, fulfilment of any provision of this Note would result in exceeding the highest rate or amount permitted by applicable law for the collection or charging of interest, the obligation to be fulfilled shall be reduced to reflect the highest permitted rate or amount. If from any circumstance the Lender shall ever receive anything of value as interest or deemed interest under this Note that would result in exceeding the highest lawful rate or amount of interest permitted by applicable law, the amount that would be excessive interest shall be applied to the reduction of the principal amount of the Obligations, and not to the payment of interest, or if the excessive interest exceeds the unpaid principal balance of the Obligations, the amount exceeding the unpaid balance shall be refunded to the Borrower.

Section 5.9 Governing Law.

This Note shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the Court and all courts competent to hear appeals therefrom.

Section 5.10 Limitation Periods

To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Borrower agrees that:

- (a) any limitation period is expressly excluded and waived entirely if permitted by applicable law;
- (b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law;
- (c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Lender to the Borrower;
- (d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Borrower; and
- (e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario) if that Act applies.

Section 5.11 Severability.

If any provision of this Note is or becomes invalid, illegal or unenforceable in any relevant jurisdiction, the remaining provisions shall remain in full force and effect.

Section 5.12 Indemnification.

The Borrower shall indemnify the Lender and each of its affiliates, directors, officers, employees, agents and advisors (each of whom is called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by the Borrower or other Person (except an Indemnitee) arising out of, in connection with, or as a result of (i) the execution or delivery of this Note or any agreement or instrument contemplated by it, the performance or non-performance by the Borrower of its obligations under this Note or any agreement or instrument contemplated by it or the consummation or non-consummation of the transactions contemplated by this Note. For greater certainty, all amounts owing by the Borrower pursuant to this Section 10.12 shall form part of the Obligations.

Section 5.13 Fees and Expenses.

The Borrower shall promptly pay (i) all reasonable costs and expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel for the Lender, in connection with the preparation, negotiation, execution, delivery and administration of this Note and any agreement or instrument contemplated by it, or any amendments, modifications or waivers of their provisions (whether or not the transactions contemplated by them are consummated) and (ii) all reasonable costs and expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Note and any agreement or instrument contemplated by it. For greater certainty, all fees and expenses owing by the Borrower pursuant to this Section 10.13 shall form part of the Obligations.

Section 5.14 Counterparts.

This Note may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank.]

WITNESS the execution of this Note on the date first written above.

**REACTOR ENGINEERING GROUP LTD., as
Borrower**

By: 
Authorized Signing Officer
AMANDA GLOVER JAN 9, 2026

**ATMIS PROTECTIVE EQUIPMENT INC., as
Lender**

By: 
Authorized Signing Officer
Digitally signed by A.
Valentine P.Eng PMP
Date: 2026.01.09
18:09:45 -05'00'

GRID

ADVANCES AND REPAYMENT OF PRINCIPAL

Date	Advance	Interest	Repayment	Unpaid Principal Balance
January 7, 2026	\$35,000.00	4.45%		\$35,000.00
January 20, 2026	\$20,000.00	4.45%		\$55,000.00

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)

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide St W
Toronto, Ontario M5H 4E3
Tel: 416-367-6000
Fax: 416-367-6749

Sam Babe (LSO No. 49498B)

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

Lawyers for Reactor Engineering Group Ltd.

Tab 3

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

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

THE HONOURABLE) FRIDAY, THE 30TH DAY
)
JUSTICE) 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**”), 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 [*], 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 [*] [sworn/affirmed] January [*], 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.

RETENTION OF SRED CONSULTANT

4. **THIS COURT ORDERS** that Reactor’s execution, delivery and entry into of the Engagement Letter dated as of January 23, 2026 (the “**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 “H” to the Second Glover Affidavit, is confirmed, authorized and approved.

5. **THIS COURT ORDERS AND DECLARES** that Reactor is hereby authorized to pay to Pinnacle any amounts owing to it under the 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.

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 Engagement Letter specifically in respect of any amounts received by Reactor on account of the SRED Claims.

APPROVAL OF INTIAL ADVANCES

7. **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.

8. **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, and shall not be void as against any trustee in bankruptcy under section 96(1) of the BIA.

FEE APPROVAL

9. **THIS COURT ORDERS** that the fees and disbursements the Proposal Trustee, and the Proposal Trustee's legal counsel, Aird & Berlis LLP, in connection with these proposal proceedings to and including January 16, 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

10. **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.

11. **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.

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 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.

14. **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.

15. **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.

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

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Lawyers for Reactor Engineering Group Ltd.

Tab 4

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

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

THE HONOURABLE) FRIDAY, THE 30TH DAY
)
JUSTICE) 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, 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 [*], 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 [*] [sworn/affirmed] January [*], 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 stalking horse asset purchase agreement dated January 23, 2026 (in such capacity, the “**Stalking Horse Agreement**”) between the Reactor and ATMIS Protective Equipment Inc. (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.



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	February 27, 2026
Auction Date (if necessary)	No later than March 3, 2026
Sale Approval Hearing	No later than March 16, 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, 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 \$75,000).

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 February 27, 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 \$75,000;
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 March 31, 2026.

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

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 3, 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
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
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
svirani@bdo.ca

Schedule "B"

AUCTION PROCEDURES

1. On or before March 2, 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 3, 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 and the Company, 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 and the Company, 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-26-00035949-0000
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
(SISP Approval)

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Lawyers for Reactor Engineering Group Ltd.

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

MOTION RECORD

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