

Court File No. CV-25-00741419-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED,
YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS
LTD., AND YARFIELD SERVICES LIMITED

Applicants

THIRD REPORT OF THE CCAA MONITOR

AUGUST 13, 2025

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INTRODUCTION

1. On April 15, 2025 (the “**NOI Filing Date**”), Earth Boring Co. Limited (“**EBCL**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in EBCL’s proposal proceedings (the “**Proposal Proceedings**”). The Proposal proceedings for EBCL were converted to proceedings under the CCAA as outlined below.
2. On April 17, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) heard an application (the “**CCAA Application**”) by EBCL, Yarbridge Holdings Inc., Trolan Investments Ltd., and Yarfield Services Limited (collectively, the “**Applicants**”) for an initial order pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. On April 17, 2025, the Court granted the following orders:
 - (a) an initial order in these proceedings (the “**Initial Order**”) that, among other things:
 - (i) appointed BDO as monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”);
 - (ii) approved a stay of proceedings for the initial 10-day period (the “**Stay of Proceedings**”);
 - (iii) extended the Stay of Proceedings to include a related party, Pennbridge Holdings Inc. (“**Pennbridge**”) and to prevent claims on performance bonds provided in relation to certain projects described in Schedule “A” to the Lien Regularization Order, discussed below;
 - (iv) approved the appointment of Steinberg Advisory Corp. as the chief restructuring officer (the “**CRO**”) over and in respect of the Applicants;

- (v) approved certain Court-ordered charges; and
 - (vi) approved the interim financing facility (the “**DIP Facility**”) to be provided by Bank of Montreal (the “**DIP Lender**”) pursuant to a DIP facility agreement (the “**DIP Term Sheet**”); and
- (b) a lien regularization order (the “**Lien Regularization Order**” or “**LRO**”) that, among other things:
- (i) stayed the rights of any person (“**Lien Claimant**”) who supplied services and/or materials to the Applicants solely with respect to certain construction projects to which the Applicants are a contracting party and which are listed in Schedule “A” to the Lien Regularization Order (the “**Continuing EBCL Projects**”) to preserve, maintain, perfect, or register liens, including by way of a notice of lien pursuant to and in accordance with the *Construction Act*, other than as permitted by the Lien Regularization Order;
 - (ii) granted a Lien Charge over certain of the Applicants property; and,
 - (iii) established the priority of the Lien Charge.
4. The Initial Order contemplated a comeback motion on April 24, 2025 (the “**Comeback Motion**”).
5. At the Comeback Motion, the Court granted an amended and restated initial order (the “**ARIO**”). Amongst other things, the ARIO:
- (a) extended the Stay of Proceedings up to and including July 4, 2025;
 - (b) approved an increase to the Administration Charge (as defined in the First Report) to the maximum amount of \$600,000;
 - (c) approved an increase to the DIP Lender’s Charge (as defined in the First Report) to the maximum amount of \$5.5 million; and

- (d) approved an increase in the D&O Charge (as defined in the First Report) to the maximum amount of \$400,000 (together with the Administration Charge and DIP Lender's Charge, the "**Charges**"); and
- 6. On May 5, 2025, the Court granted additional relief pursuant to the order of Justice Steele, to amend the ARIO to reflect the agreement concerning the priority of the Charges reached among certain of the Applicant's stakeholders (the "**Second Amended and Restated Initial Order**" or the "**SARIO**").
- 7. On May 28, 2025, the Court granted additional relief pursuant to the order of Justice Cavanagh, to, among other things:
 - (a) approve the sale and investment solicitation process (the "**SISP**");
 - (b) approve the appointment of PricewaterhouseCoopers Corporate Finance Inc. ("**PWC**") as sales advisor (the "**Sales Advisor**") to assist the Monitor and the Applicants to implement the SISP; and
 - (c) grant the Sales Advisor a charge (the "**Sales Advisor Charge**") in the maximum amount of \$350,000 (the "**SISP Approval Order**").
- 8. On May 28, 2025, the Court also granted additional relief pursuant to the order of Justice Cavanagh, amending the SARIO to, among other things:
 - (a) extend the Stay of Proceedings up to and including August 15, 2025; and
 - (b) amend the Administration Charge to include the CRO and the Sales Advisor and increase the amount of the Administration Charge from \$600,000 to \$750,000 (the "**TARIO**").
- 9. The Monitor has provided the Court with the following reports:

- (a) the Report of the Proposed Monitor dated April 16, 2025 (the “**Proposed Monitor’s Report**”) in connection with the Applicants’ application for protection under the CCAA;
- (b) the First Report of the Monitor dated April 23, 2025 (the “**First Report**”) in connection with the Applicants’ motion for the ARIO; and
- (c) the Second Report of the Monitor dated May 27, 2025 (the “**Second Report**”) in connection with the Applicants’ motion for the TARIO and SISP Approval Order.

PURPOSE

10. The purpose of this third report of the Monitor (the “**Third Report**”) is to provide information to the Court with respect to:

- (a) the Applicants’ and the Monitor’s activities since the Second Report;
- (b) the Applicants’ actual cash flow results for the 12-week period ended August 8, 2025, versus the budgeted results for that period, as outlined in the Applicants’ updated 13-week consolidated cash flow from May 19, 2025, to the week ended August 15, 2025 (the “**Updated Cash Flow Forecast**”);
- (c) an overview of the Applicants’ updated 7-week consolidated cash flow forecast (the “**Second Updated Cash Flow Forecast**”) for the period July 26, 2025, to September 12, 2025 (the “**Second Updated Cash Flow Period**”);
- (d) the implementation of the SISP;
- (e) the agreement between the Applicants and the Aviva Insurance Company of Canada (“**Aviva**”)¹ regarding the Proposed Sanitary Sewers and Forcemain along Various Streets and Bolton Sewage Pumping Station Modifications,

¹ Aviva provides the bonding arrangements (as applicable, both labour and materials and performance bonds) in relation to certain of the Applicants’ projects.

Town of Caledon, Projects 12-2210, 17-2280, 17-2192 and 18-2286 (the “**Caledon Project**”);

(f) the Applicants’ motion to the Court returnable on August 14, 2025 (the “**Applicants’ Fifth Motion**”), seeking the following:

- (i) an extension of the Stay Period up to and including September 12, 2025;
- (ii) approval of the Third Report of the Monitor and the activities described therein;
- (iii) approval of the fees and disbursements of the Monitor for the period ending July 18, 2025, and its legal counsel for the period ending July 31, 2025; and
- (iv) such further and other relief as the Court may deem just and equitable; and

(g) the Monitor’s recommendations on the relief sought in the Applicants’ Fifth Motion.

11. The Monitor understands that the Applicants will be relying on the affidavit of Eugene Woodbridge sworn April 16, 2025 (the “**Initial Woodbridge Affidavit**”), the affidavit of Eugene Woodbridge sworn April 23, 2025 (the “**Second Woodbridge Affidavit**”), the further affidavit of Eugene Woodbridge sworn May 23, 2025 (the “**Third Woodbridge Affidavit**”), the further affidavit of Eugene Woodbridge sworn August 6, 2025 (the “**Fourth Woodbridge Affidavit**”), the Proposed Monitor’s Report, the First Report, the Second Report, and this Third Report.

12. The Initial Order, Lien Regularization Order, the TARIO, the Sale Process Order and all other materials filed with the Court in these CCAA proceedings are accessible on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/earth-boring-co-limited> (the “**Monitor’s Website**”). All court documents and certain other relevant documents have been and will continue to be posted as they are made available.

BACKGROUND AND OVERVIEW

13. This Third Report should be read in conjunction with the Initial Woodbridge Affidavit, the Second Woodbridge Affidavit, the Third Woodbridge Affidavit, and the Fourth Woodbridge Affidavit (collectively, the “**Woodbridge Affidavits**”). Additional background and financial information with respect to the Applicants was provided in the Proposed Monitor’s Report, the First Report, and the Second Report (without appendices) attached hereto as **Appendix “A”, “B”, and “C”**.
14. Any terms not expressly defined herein are otherwise defined in the Woodbridge Affidavits, the LRO, the TARJO, the Sale Process Order, the Proposed Monitor’s Report, the First Report, and the Second Report.

TERMS OF REFERENCE

15. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants (“**Management**”), and information from other third-party sources (collectively, the “**Information**”). Except as described in this Third Report in respect of the Second Updated Cash Flow Forecast:
 - (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecast and

projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

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

UPDATE ON THE APPLICANTS' ACTIVITIES

19. Since the issuance of the TARIO, the Applicants, with the assistance of the CRO, the Monitor, and the Sales Advisor, as applicable, have among other things:
 - (a) continued operations on the Continuing EBCL Projects;
 - (b) finalized the terms of an agreement with Aviva and the Region of Peel to continue the Caledon Project and recommencing work on the Caledon Project (as described below);
 - (c) assisted the Sales Advisor with the implementation of the SISP; and
 - (d) engaged in various discussions with stakeholders, including suppliers, customers, employees, owners, general contractors, contractors, subcontractors, suppliers and the bonding company, Aviva.

MONITOR'S ACTIVITIES TO DATE

20. Since the granting of the TARIO, the Monitor has:

- (a) held regular discussions with the Applicants, CRO, and key stakeholders (including BMO and BDC) regarding operations, liquidity, and broader restructuring initiatives;
- (b) continued to assist the Applicants with stakeholder communications and facilitated conversations with general contractors, subcontractors, and suppliers;
- (c) continued to respond to creditor and vendor inquiries relating to these CCAA Proceedings, including the LRO;
- (d) maintained a list of all Lien Notices to Monitor submitted pursuant to the LRO;
- (e) continued to engage directly with municipalities and project owners to:
 - (i) address concerns regarding lien exposure risk for the project owners;
 - (ii) clarify confusions related to treatment of holdback release; and
 - (iii) clarify the continuation of projects, including communications to vendors on bonded projects;
- (f) enforced previously implemented treasury oversight and provided support to the Applicants' treasury functions and DIP Lender reporting requirements through:
 - (i) implementing weekly treasury monitoring protocol;
 - (ii) conducting variance analysis between actual and forecasted cash flow and submitting variance updates to the DIP Lender;
 - (iii) reviewing monthly DIP Lender reporting deliverables; and
 - (iv) facilitating DIP draw request;
- (g) engaged with the Applicants and the CRO on:
 - (i) periodic review of receipts and discussions on timing of future receipts;

- (ii) disbursements tracking and cost approval monitoring; and
 - (iii) enforcing the previously set up vendor payment protocols;
- (h) coordinated with the Region of Peel and Aviva in connection with the Caledon Project, including:
- (i) assisting the Applicants with finalizing the Completion Agreement (defined below) and EBCL Caledon Agreement (defined below);
 - (ii) attending multiple meetings with Region of Peel and Aviva;
 - (iii) reviewing and documenting the Applicants' invoicing methodology under the EBCL Caledon Agreement and designed corresponding monitoring procedures;
 - (iv) performing routine testing of vendor and equipment rental related disbursements, including tracing payment records to bank statements;
 - (v) reviewing invoices issued by the Applicants to Aviva and issuing payments to the Applicants in accordance with the EBCL Caledon Agreement;
 - (vi) coordinating with counsel to address Aviva's inquiries, payment objectives, and enforce funding obligations under the EBCL Caledon Agreement; and
 - (vii) maintaining ongoing communications with the Applicants to support project continuity;
- (i) actively engaged in discussions with the Applicants, municipalities and general contractors on lien-related payment withholding issues, including:
- (i) monitoring progress toward resolving lien-related payment withholdings issues;

- (ii) coordinating for release of funds withheld by general contractors into the Monitor's trust account; and
 - (iii) obtaining legal guidance on whether funds received into the Monitor's trust account could be released to the Applicants;
- (j) supervised and assisted with activities related to the SISP, including:
 - (i) assisting the Applicants, CRO and Sales Advisor in populating the virtual data room and providing additional information/analysis, as required;
 - (ii) participating in various management meetings with the potential purchasers and the Sales Advisor;
 - (iii) working with legal counsel to update and finalize the forms of definitive agreements;
 - (iv) assisting the Sales Advisor in the production of its weekly SISP updates;
 - (v) participating in the review and assessment of the non-binding offer(s) and binding offer(s) received;
 - (vi) participating in various SISP update meetings with the DIP Lender, BDC and Aviva and their respective legal and financial advisors regarding the SISP process, offers received and next steps; and
 - (vii) refining and clarifying with the potential purchasers deal terms, due diligence requirements and potential offers conditions with regards to the binding offers received;
- (k) reviewed the Applicants' actual cash flows and supported the review and preparation of the Second Updated Cash Flow Forecast by:

- (i) participating in project level input review;
 - (ii) reviewing revised assumptions and stress-testing sensitivity scenarios;
 - (iii) participating in discussions related to timing of future receipts;
 - (iv) reviewing the historic vendor payments run rate to develop new assumptions; and
 - (v) inquiring with the Applicants and the CRO to stress test the Updated Cash Flow Forecast;
- (l) attended at the hearing on May 28, 2025, approving the TARIO and SISP Approval Order;
- (m) engaged with its legal counsel, Gowling WLG (Canada) LLP (“**Gowlings**”), regarding matters related to these CCAA Proceedings; and
- (n) prepared this Third Report.

APPLICANTS’ RECEIPTS AND DISBURSEMENTS SINCE THE SECOND REPORT

21. The Monitor’s Second Report included an Updated Cash Flow Forecast for the 13-week period from May 19, 2025, to the week ended August 15, 2025.
22. The Monitor has reviewed the actual cash flow from operations for the 12-week period ending August 8, 2025 (the “**Review Period**”), through monitoring the banking activities of the Applicants.
23. The Applicants’ actual cash flow from operations for the Review Period, was lower than projected for that same period by approximately \$365,036. This variance is a combination of timing and permanent differences of receipts and disbursements, as follows:
- (a) the negative variance is largely due to:

- (i) approximately \$4.7 million delay in cost plus billings related to the Caledon Project due to a slower than anticipated project ramp up and payment delays from Aviva;
 - (ii) approximately \$2.7 million delay in receipts largely due to timing differences caused by on-going project delays relating to equipment maintenance downtime in May/June and a \$678,000 withholding reserve related to previous liens on the Halton project. The Halton region has acknowledged to the Monitor that this amount is to be released and confirmed it will be released in the coming week;
 - (iii) approximately \$725,000 in holdback receipts due primarily to the delay in a receipt of the HST portion of Halton holdback of approximately \$595,000 not yet billed and/or funds received;
 - (iv) delay in collection of approximately \$135,000 related to old completed jobs; and
 - (v) a permanent negative variance of approximately \$38,000 negative consultant costs.
- (b) the above negative variances are partially offset by:
- (i) delay in vendor payments as vendors are offering short-term credit rather than the initially projected cash on delivery basis and significant delays in the ramp up of the Caledon Project versus what was initially forecasted. This coupled with minimal remobilization payments actually incurred to date has resulted in approximately \$4.8 million in lower vendor disbursements;
 - (ii) delay in professional and restructuring fee payments of approximately \$886,000 due to timing of receipts of invoices from the professionals;
 - (iii) delay in payment to third party labour of \$642,000 due to on-going project delays;

- (iv) lower than anticipated net payments to the CRA of \$521,000 which primarily relates to the delay in the release of the Halton project holdback;
- (v) lower than anticipated general & administrative, and contingency expenditures of approximately \$304,000;
- (vi) delay in union obligation payments of approximately \$264,000 as cheques issued have not yet been cashed;
- (vii) delay in union payroll of approximately \$229,000 and union source deductions of approximately \$139,000 due to project delays; and
- (viii) delay in RRSP contributions of approximately \$112,000 not yet made for key employees.

24. We note that the Applicants failed the DIP Term Sheet's cash flow variance test in week 10 (week-ended July 25, 2025) of the Updated Cash Flow Forecast primarily due to a delay in receipts from regular billing projects, the HST portion of the Halton holdback and the ramp-up/receipt of funds from Aviva related to the Caledon Project. The DIP Lender required revised cash flow forecasts (Second Updated Cash Flow Forecast) to confirm that the DIP Facility cap of \$5.5 million was still sufficient to allow time for the SISP to be completed. The DIP Lender has continued to provide funding to the Applicants based on the Second Updated Cash Flow Forecast.

25. A summary of the variance analysis described above is attached hereto as **Appendix "D"**.

OVERVIEW OF APPLICANTS' 7-WEEK CASH FLOW FORECAST

26. The Applicants have prepared the Second Updated Cash Flow Forecast for the 7-week period from July 26, 2025, to the week ending September 12, 2025, for the purposes of projecting the Applicants' estimated liquidity needs over that time. A copy of the Second Updated Cash Flow Forecast is attached hereto as **Appendix "E"**.

27. The Second Updated Cash Flow Forecast is presented on a weekly basis and represents Management's estimates of the projected cash flow during the Second Updated Cash Flow Period. The Second Updated Cash Flow Forecast has been prepared by the Applicants using probable and hypothetical assumptions (the "**Assumptions**") as set out in the notes to the Second Updated Cash Flow Forecast.
28. The Monitor has reviewed the Second Updated Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- (a) the Assumptions are not consistent with the purpose of the Second Updated Cash Flow Forecast;
 - (b) as at the date of this Third Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Second Updated Cash Flow Forecast, given the probable and hypothetical assumptions; or
 - (c) the Second Updated Cash Flow Forecast does not reflect the Assumptions.
29. The Monitor notes that the Second Updated Cash Flow Forecast has been prepared solely for the purpose described above and since the Second Updated Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that it may not be appropriate for other purposes.
30. The Second Updated Cash Flow Forecast shows that during the Updated Cash Flow Period, the Applicants will experience a net cash outflow of approximately \$1,039,744. Based on DIP Facility funding available and the opening cash balance as of July 28, 2025, the Updated Cash Flow Forecast projects that during the Updated Cash Flow

Period the Applicants should have sufficient liquidity, with the support of the DIP Lender. We understand that the DIP Lender has agreed to extend the DIP Facility maturity date until August 25, 2025 in an attempt to finalize a transaction under the SISP.

SISP IMPLEMENTATION

SISP Procedures

31. On May 28, 2025, the Court granted an order approving the sale and investment solicitation process (the “**SISP Approval Order**”), which set out the SISP Procedures. The SISP is a two-phase sale and investment solicitation process administered by the Sales Advisor, in consultation with the Monitor.
32. During Phase I of the SISP (“**Phase I**”), the Sales Advisor, in consultation with the Monitor, solicited non-binding letters of intent (“**LOIs**”) from interested parties to acquire or refinance the Business and/or Property of the Applicants. After receiving the LOIs, the Sales Advisor, in consultation with the Monitor, assessed the LOIs to determine which bids are “Qualified Phase I Bids” and which bidders can participate in Phase II of the SISP (“**Phase II**”).
33. Phase II of the SISP called for either a “**Qualified Purchase Bid**” or “**Qualified Investment Bid**”, both of which constituted a “**Phase II Bid**”. If a Phase II Bid met the Phase II Bid Criteria (as defined in the SISP Approval Order), as determined by the Sales Advisor, in consultation with the Monitor, such Phase II Bid was deemed to be a “**Qualified Phase II Bid**”.
34. Following the Phase II Bid deadline, the Monitor, in consultation with the Sales Advisor and the DIP Lender, could, but was not obligated to, choose to accept the bid that is in the best interests of the Applicants’ stakeholders (the “**Successful Bid**”) and take such steps as were necessary to finalize and complete an agreement for the Successful Bid.
35. The timeline of the SISP was approximately seven (7) weeks with the following key milestones and deadlines:

Milestone	Deadline
Commence solicitation of interest from parties	As soon as practicable following the date of the SISP Approval Order.
Phase I Bid Deadline for LOIs	June 20, 2025
Phase II: Commencement of Due Diligence for Selected Bidders	June 23, 2025
Deadline for Binding Offers (“ Phase II Bid Deadline ”)	July 18, 2025
Selection of Successful Bid (assuming no Auction)	July 21, 2025
Definitive Transaction Document	July 25, 2025
Approval Motion	Subject to availability of the Court
“ Target Closing Date ” Deadline	August 11, 2025

36. In contemplation of the potential participation of management in the SISP, pursuant to the SISP, any shareholder or director of the Applicants (each an “**Insider**”) could make a bid in the SISP, provided such intention to bid was communicated to the Monitor in writing by no later than June 19, 2025 (one day before LOIs were originally due). In the event that an Insider submitted a bid in the SISP, the Sales Advisor and the Monitor would not share any information with the Insider with respect to the SISP and were not required to consult with the Applicants.

SISP Implementation

37. The Sales Advisor is in the ongoing process of implementing the SISP, with the assistance of the Applicants (where appropriate) and the Monitor, in accordance with the terms of the SISP Approval Order and SISP Procedures.

38. The Sales Advisor commenced the SISP by emailing an initial offering summary (“**Teaser Letter**”) and non-disclosure agreement (“**NDA**”) to approximately 126

prospective bidders on May 29, 2025. The prospective bidders included 59 strategic potential buyers and 67 financial potential buyers.

39. As a result of the marketing efforts, 23 parties executed NDAs and received access to a virtual data room (the “VDR”). The VDR contained due diligence documents, including a confidential information memorandum, financial statements, marketing material, corporate and legal information, and operational and logistical data.
40. The Sales Advisor had multiple discussions with potential bidders regarding potential transactions during Phase I of the SISP.
41. Given the active participation of parties in the VDR and as permitted by section 12 of the SISP Procedures, the Monitor exercised its reasonable business judgment to extend the Phase I Bid Deadline by seven days to June 27, 2025. The other deadlines after the Phase I Bid Deadline were correspondingly extended by one week as follows:

Milestone	Deadline
Phase II Bid Deadline	July 25, 2025
Selection of Successful Bid (assuming no Auction)	July 28, 2025
Definitive Transaction Document	August 1, 2025
Target Closing Date	August 18, 2025

42. Pursuant to the SISP Procedures, before the Phase I Bid Deadline, management of the Applicants, being an Insider, disclosed their intention to submit a bid in the SISP. As a result, the Sales Advisor and the Monitor did not share any information with management of the Applicants with respect to other SISP participants or bids.
43. On the Phase I Bid Deadline, the Sales Advisor received four LOIs. The Sales Advisor, in consultation with the Monitor, reviewed the LOIs to determine if they were Qualified Phase I Bids that were compliant with the criteria in the SISP. All four (4) LOIs were deemed to be Qualified Phase I Bids and were permitted to advance to Phase II of the SISP.

44. During Phase II of the SISP, each of the four Qualified Phase I Bidders continued with their due diligence and three participated in management meetings and site visits, which were also attended by the Sales Advisor. The Sales Advisor, in consultation with the Applicants, responded to a significant number of due diligence requests throughout Phase II.

45. At the request of certain of the Qualified Phase I Bidders, and pursuant to the SISP Procedures, the Monitor determined it was necessary and appropriate to extend the Phase II Bid Deadline and subsequent SISP deadlines to ensure a competitive and effective SISP. The Phase II Bid Deadline and subsequent SISP deadlines were extended by a further two (2) weeks, as follows:

Milestone	Deadline
Phase II Bid Deadline	August 8, 2025
Selection of Successful Bid (assuming no Auction)	August 11, 2025
Definitive Transaction Document	August 15, 2025
Target Closing Date	September 1, 2025

46. The two-week extension to the above-noted deadlines extended the SISP for a total of three (3) weeks given the prior one-week extension of the timelines.

47. Pursuant to section 12 of the SISP Procedures, the Monitor requires the approval of the Court to extend the deadlines in the SISP by more than two (2) weeks. The Applicants seek the Court’s approval to retroactively approve the extension of the Phase II Bid Deadline and to extend the subsequent milestones as follows (the “**Amended SISP Deadlines**”):

Milestone	Amended SISP Deadline
Phase II Bid Deadline	August 11, 2025
Selection of Successful Bid (assuming no Auction)	August 14, 2025
Definitive Transaction Document	August 22, 2025
Target Closing Date	September 1, 2025

48. The Applicants seek approval for the Monitor to further extend any Amended SISP Deadline, in consultation with the Sales Advisor, by no more than a further seven (7) days in each case.
49. On the Phase II Bid Deadline under the Amended SISP Deadlines, the Sales Advisor received Qualified Phase II Bid(s).
50. Pursuant to section 49 of the SISP Procedures, the Sales Advisor and Monitor, in consultation with the DIP Lender and BDC, are reviewing and assessing the Qualified Phase II Bid(s) to determine whether a bid will be accepted as the Successful Bid.
51. A detailed bid summary will be provided prior to any sale transaction approval motion brought by the Applicants.

THE AVIVA-EBCL AGREEMENT TO COMPLETE THE CALEDON PROJECT

52. Aviva provided Performance Bonds and Labour & Material Payment Bonds for the Company on eight (8) projects.
53. On June 13, 2025, the Applicants, Aviva and the Region of Peel entered into an agreement whereby Aviva would retain EBCL on a “costs plus” basis to complete the Caledon Project, which is not an LRO Project (the “**Completion Agreement**”). A copy of the Completion Agreement is attached as **Appendix “F”**.
54. On June 13, 2025, the Applicants and EBCL entered into an agreement whereby EBCL would supply all labour, materials and equipment necessary to complete the Caledon

Project (the “**EBCL Caledon Agreement**”). A copy of the EBCL Caledon Agreement is attached as **Appendix “G”**.

55. The Monitor worked with the Applicants, Aviva and the Region of Peel to negotiate the Completion Agreement and the EBCL Caledon Agreement. Following the execution of the Completion Agreement and the EBCL Caledon Agreement, the Monitor has assisted the parties by, among other things, facilitating implementation of the agreements, information requests by Aviva, and funding requests by the Applicants.
56. A dispute has arisen with Aviva concerning required payments under the EBCL Caledon Agreement.
57. For the reasons set out in an exchange between counsel for the Monitor and counsel for Aviva, attached as **Appendix “H”**, it is the Monitor’s view that Aviva has an obligation to pay a Top Up Payment, as defined in the EBCL Caledon Agreement, in the amount of \$1,298,639 to the Monitor to satisfy outstanding invoices for the Caledon Project and to replenish a required project reserve. As of the date of this report, Aviva has not paid the Top Up Payment. Aviva’s failure to pay the Top Up Payment is causing liquidity challenges for the Applicants and is a breach of the EBCL Caledon Agreement, in the Monitor’s view.
58. Additionally, the Monitor is in receipt of the Motion Record of Aviva dated August 11, 2025. The Monitor disagrees with the positions asserted and, should Aviva persist with this motion, the Company and the Monitor will seek an early hearing date and file responding materials.

RELIEF SOUGHT AT THE APPLICANTS’ FIFTH MOTION

59. The Applicants’ Fifth Motion primarily contemplates certain relief necessary to allow the parties to carry out the remaining steps in the Amended SISP Deadlines, including allowing the Sales Advisor and Monitor, in consultation with the DIP Lender, BDC, and any other key stakeholders, to evaluate the Qualified Phase II Bid(s) and determine whether the bid(s) will be selected as the Successful Bid.

Proposed Stay Extension

60. The Company seeks an extension of the Stay Period until September 12, 2025.
61. Pursuant to the Amended DIP Term Sheet dated May 28, 2025, the DIP Maturity Date may be amended to such date “as the DIP Lender in its discretion may agree to in writing with the Borrower”. The Company has requested in writing that the DIP Lender extend the DIP Maturity Date up to and including August 25, 2025, to permit the DIP Lender to consider the Qualified Phase II Bid(s).
62. The DIP Lender has advised the Monitor that it will make a determination as soon as possible as to whether a Phase II Bid is acceptable or whether the DIP Lender will allow the facilities under the Amended DIP Term Sheet to mature without extension. If this happens, the Monitor anticipates that these CCAA Proceedings will transition to a liquidating CCAA and enhanced powers may be sought for the Monitor.
63. The Monitor is of the view that the proposed Stay Extension is reasonable and appropriate in order to allow the parties to complete the remaining steps in the SISP Procedures, as set out in the Amended SISP Deadlines and, if a Successful Bid results, to complete a transaction.
64. It is the Monitor’s view, based on the Second Updated Cash Flow Forecast, that the Applicants will have sufficient liquidity to continue these CCAA Proceedings until September 12, 2025.

Approval of the fees of the Monitor and its legal counsel

65. Pursuant to the TARIO, the Monitor has provided services in the amount of \$184,655.32 (excluding HST), in the period May 18, 2025, to July 18, 2025. A copy of the Affidavit of Clark Lonergan, sworn August 12, 2025, which includes a copy of the Monitor’s time dockets pertaining to its activities under these CCAA Proceedings for the period May 18, 2025, to July 18, 2025, in the amount of \$184,655.32 (excluding HST) is attached as **Appendix “I”**. This represents a total of 362.4 hours at an average hourly rate of \$508.10.

66. Further, the Monitor's counsel, Gowling's, has provided services in the amount of \$159,339.50 (excluding HST and disbursements) in the period May 17, 2025, to July 31, 2025. A copy of the Affidavit of Heather Fisher, sworn August 12, 2025, which includes a copy of Gowling's time docket pertaining to its activities under these CCAA Proceedings for the period May 17, 2025, to July 31, 2025, in the amount of \$159,339.50 (excluding HST and disbursements) is attached as **Appendix "J"**. This represents a total of 157 hours at an average hourly rate of \$1,014.90.
67. The Monitor has reviewed the accounts of its counsel and is of the view that all the work set out in these accounts was carried out and was necessary, that the hourly rates of the lawyers who worked on this matter were reasonable in light of the services required and that the services were carried out by lawyers with the appropriate level of expertise.

CONCLUSIONS AND RECOMMENDATIONS

68. The Monitor is not aware of any non-compliance by the Applicants with the requirements of the CCAA or any order issued by this Court in these CCAA Proceedings. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence.
69. For the reasons stated herein, the Monitor is of the view that the relief requested by the Applicants as set forth in the Applicants' Fifth Motion is necessary, reasonable, and justified and will provide the Applicants the best opportunity to preserve value and maximize recoveries for its stakeholders.

70. The Monitor is therefore supportive of the Applicants' request for relief pursuant to the CCAA and the terms of the Order sought pursuant to the Applicants' Fifth Motion.

All of which is respectfully submitted this 13th day of August, 2025

**BDO CANADA LIMITED, in its capacity
As CCAA Monitor of the Applicants, and
not in its corporate or personal capacity.
Per:**

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is written in a cursive, flowing style.

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

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED, YARBRIDGE
HOLDINGS INC., TROLAN INVESTMENTS LTD., AND YARFIELD
SERVICES LIMITED**

Applicants

REPORT OF BDO CANADA LIMITED AS THE PROPOSED CCAA MONITOR

APRIL 16, 2025

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Appendix B – Interim Cash Flow Forecast for the 2-week period ended April 25, 2025

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Appendix D – CRO Engagement Agreement dated April 16, 2025

Appendix E – DIP Term Sheet dated April 16, 2025

Appendix F – Interim Financing Term Sheet dated April 16, 2025

INTRODUCTION

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

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

PURPOSE

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

TERMS OF REFERENCE

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

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

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

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

PROPOSAL PROCEEDINGS

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

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

BDO'S QUALIFICATIONS TO ACT AS MONITOR

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

OVERVIEW OF THE APPLICANTS

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

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

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

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

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

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

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

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

CIRCUMSTANCES LEADING TO THE APPLICANTS' CCAA FILING

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

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

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

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

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

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

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

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

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

OVERVIEW OF APPLICANTS' 2-WEEK INTERIM CASH FLOW FORECAST

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

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

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

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

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

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

RELIEF SOUGHT BY THE APPLICANTS

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

Stay of Proceedings

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

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

CRO Appointment

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

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

Payment of Critical Pre-Filing Obligations

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

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

Charges

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

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

THE ADMINISTRATION CHARGE

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

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

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

DIP FACILITY AND DIP LENDER'S CHARGE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE D&O CHARGE

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

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

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

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

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

LIEN REGULARIZATION ORDER

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

66. Specifically, the LRO:

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

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

CONCLUSIONS AND RECOMMENDATIONS

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

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

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

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

Per:



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

Court File No. CV-25-00741419-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED,
YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS
LTD., AND YARFIELD SERVICES LIMITED

Applicants

FIRST REPORT OF THE CCAA MONITOR

APRIL 23, 2025

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Appendix C – Cash Flow Variance Analysis for the period ending April 23, 2025

Appendix D – Cash Flow Forecast for the 12-week period ended July 4, 2025

INTRODUCTION

1. On April 15, 2025 (the “**NOI Filing Date**”), Earth Boring Co. Limited (“**EBCL**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in EBCL’s proposal proceedings (the “**Proposal Proceedings**”). A copy of the certificate of filing of a Notice of Intention to Make a Proposal (the “**Certificate of Filing**”) issued by the Office of the Superintendent of Bankruptcy (the “**OSB**”) is attached hereto as **Appendix “A”**. The Proposal proceedings for EBCL were converted to the CCAA as outlined below.
2. On April 17, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) heard an application (the “**CCAA Application**”) by, Earth Boring Co. Limited (“**EBCL**”), Yarbridge Holdings Inc., Trolan Investments Ltd., and Yarfield Services Limited (collectively, the “**Applicants**”) for an initial order pursuant to the *Companies’ Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. BDO, as proposed monitor, prepared a pre-filing report dated April 16, 2025 (the “**Proposed Monitor’s Report**”) to provide information to the Court for its consideration in respect of the Applicants’ CCAA Application.
4. On April 17, 2025, the Court granted the following orders:
 - (a) an initial order in these proceedings (the “**Initial Order**”) that, among other things, appointed BDO as monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”), approved a stay of proceedings for the initial 10-day period (the “**Stay of Proceedings**”), extended the Stay of Proceedings to include a related party, Pennbridge Holdings Inc. (“**Pennbridge**”) and to prevent claims on performance bonds provided in relation to Continuing EBCL Projects, approved the appointment of Steinberg Advisory Corp. as the chief restructuring officer (the “**CRO**”)

over and in respect of the Applicants, approved certain Court-ordered charges, and approved the interim financing facility (the “**DIP Facility**”) to be provided by Bank of Montreal (the “**DIP Lender**”) pursuant to a DIP facility agreement (the “**DIP Term Sheet**”); and

(b) a lien regularization order (the “**Lien Regularization Order**” or “**LRO**”) to, among other things, stay the rights of any person (“**Lien Claimant**”) who supplied services and/or materials to the Applicants solely with respect to certain construction projects to which the Applicants are a contracting party and which are listed in Schedule “A” to the Lien Regularization Order, to preserve, maintain, perfect, or register liens, including by way of a notice of lien pursuant to and in accordance with the *Construction Act*, other than as permitted by the Lien Regularization Order; grant a Lien Charge over certain of the Applicants property; and, establish the priority of the Lien Charge.

5. The Initial Order contemplated a comeback motion to be heard April 24, 2025 (the “**Comeback Motion**”).

PURPOSE

6. The report of this first report of the Monitor (the “**First Report**”) is to provide information to the Court with respect to:

- (a) the Applicants’ operations and communications with stakeholders since the granting of the Initial Order;
- (b) the Monitor’s activities since its appointment;
- (c) the Applicants’ actual cash flow results for the 7-days ended April 23, 2025, versus the same budgeted period as outlined in the Applicants’ 2-week cash flow from April 17, 2025, to the week ended April 25, 2025 (the “**Interim Cash Flow Forecast**”) on a consolidated basis for the Applicants;
- (d) an overview of the Applicants’ 12-week cash flow forecast (the “**Cash Flow Forecast**”), inclusive of the Interim Cash Flow Forecast, for the period April

17, 2025, to July 4, 2025 (the “**Cash Flow Period**”) on a consolidated basis for the Applicants;

(e) the Applicants’ Comeback Motion, seeking relief including but not limited to an amended and restated initial order (“**Amended and Restated Initial Order**” or “**ARIO**”) to:

- (i) extend the Stay of Proceedings contained in the Initial Order to July 4, 2025;
- (ii) approve an increase to the Administration Charge (herein defined) to the maximum amount of \$600,000;
- (iii) approve an increase to the DIP Lender’s Charge (herein defined) to the maximum amount of \$5.5 million;
- (iv) approve an increase to the D&O Charge (herein defined) to the maximum amount of \$400,000; and
- (v) such further and other relief as the Court may deem just and equitable; and

(f) the Monitor’s recommendations on the relief sought at the Comeback Motion.

7. The Monitor understands that the Applicants will be relying on the affidavit of Eugene Woodbridge sworn April 16, 2025 (the “**Initial Woodbridge Affidavit**”), filed in support of the Initial Order, the Proposed Monitor’s Report, a further affidavit of Eugene Woodbridge sworn April 23, 2025 (the “**Second Woodbridge Affidavit**”), and this First Report.

8. The Initial Order, Lien Regularization Order and all other materials filed with the Court in these CCAA proceedings are accessible on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/earth-boring-co-limited> (the “**Monitor’s Website**”).

BACKGROUND AND OVERVIEW

9. This First Report should be read in conjunction with the Initial Woodbridge Affidavit and the Second Woodbridge Affidavit. Additional background and financial information with respect to the Applicants was provided in the Proposed Monitor's Report, attached hereto as **Appendix "B"**.
10. Any terms not expressly defined herein are otherwise defined in the Initial Woodbridge Affidavit, the Second Woodbridge Affidavit, the Initial Order, the LRO, and the Proposed Monitor's Report.

TERMS OF REFERENCE

11. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecast:

- (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
- (b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

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

UPDATE ON THE APPLICANTS' ACTIVITIES

15. Since the issuance of the Initial Order, the Applicants have been focusing on stabilizing operations. Management, with the assistance of the CRO and Monitor, has engaged in various discussions with stakeholders, suppliers, customers, and employees. As of the date of this First Report, the Applicants have maintained their business operations without significant disruption or issues.

MONITOR'S ACTIVITIES TO DATE

16. The Monitor established the Monitor's Website in respect of these CCAA Proceedings. All court documents and certain other relevant documents have been and will continue to be posted as they are made available.
17. Pursuant to the Initial Order, the following Court materials were posted on the Monitor's Website:
 - (a) the Applicant's Application Record filed in support of the Initial Order;
 - (b) the Proposed Monitor's Report;
 - (c) the Initial Order;
 - (d) the Lien Regularization Order;

- (e) the Endorsement and further reasons of Justice Steele in respect of the CCAA Application; and
 - (f) the Applicant's Motion Record filed in support of the Comeback Motion.
18. On April 23, 2025, the Monitor published, and will again publish on April 30, 2025, notice of the Initial Order in The National Post (National Edition). A copy of the newspaper notice has been posted on the Monitor's Website.
19. The Monitor prepared and sent a notice, which includes information about the CCAA Proceedings (the "**Notice to Creditors**"), to all known creditors based on the contact information of such known creditors who have a claim against the Applicants of more than \$1,000, provided by the Applicants (the "**Known Creditors**"), by prepaid ordinary mail. A copy of the Notice to Creditors has been posted on the Monitor's Website.
20. The Monitor has also posted on its website a list showing the names of the Known Creditors and amounts owing according to the books and records of the Applicants, in accordance with the CCAA.
21. The Monitor has completed the required statutory forms and e-filed such reports with the Office of the Superintendent of Bankruptcy.
22. Furthermore, since the granting of the Initial Order, the Monitor has:
- (a) attended the Applicants' first motion, which occurred on April 17, 2025;
 - (b) assisted the Applicants with stakeholder communications;
 - (c) responded to correspondence received from creditors and other parties with respect to these CCAA Proceedings;
 - (d) participated in various discussions with the Applicants and the CRO regarding operations, treasury functions and discussions with Aviva and other key stakeholders;
 - (e) created a weekly monitoring protocol with the Applicants and the CRO to allow the Monitor to review and report on the Applicants' weekly cash receipts and disbursements;

- (f) reviewed the Applicants’ actual receipts and disbursements;
- (g) assisted the Applicants with the initial funding request from the DIP Facility;
- (h) engaged with its legal counsel, Gowling WLG (Canada) LLP (“**Gowling**”), regarding matters related to these CCAA Proceedings; and
- (i) prepared this First Report.

APPLICANTS’ RECEIPTS AND DISBURSEMENTS TO DATE

23. The Proposed Monitor’s Report included an Interim Cash Flow Forecast for the 2-week period from April 17, 2025, to the week ending April 25, 2025.
24. The Monitor has reviewed the actual cash flow from operations for the 7-day period ending April 23, 2025 (the “**Initial Review Period**”), through monitoring the banking activities of the Applicants.
25. The Applicants’ actual cash flow from operations for the Initial Review Period exceeded the corresponding Interim Cash Flow Forecast amounts for that same period by approximately \$1.65 million. This positive variance is a combination of timing differences of receipts and disbursements, coupled with Initial Review Period capturing a shortened timeframe relative to the Interim Cash Flow Forecast period.
26. In particular:
- (a) the positive variance is largely due to:
 - (i) delay in vendor payments as vendors are offering short-term credit rather than the initially projected cash on delivery basis. This is coupled with timing delays associated with vendor remobilization payments, which resulted in ~\$1.8 million disbursements being delayed;
 - (ii) Initial Review Period ending on April 23, 2025, rather than April 25, 2025, as reflected in the Interim Cash Flow Forecasts. This positive variance is a timing difference as disbursements of ~\$516,000 related

to payroll, source deductions, and union obligations are expected to occur on April 25, 2025;

(iii) a delay in payment of \$400,000 toward BMO Mastercard, as Management is waiting on confirmation of some receipts due later in the week; and

(iv) positive difference of \$100,000 on general, administrative, and contingency spend.

(b) the positive variance is offset by ~\$1.2 million delay in receipts due to timing difference, notice of these CCAA Proceedings, and the LRO. Receipts are expected later this week or next week.

27. A summary of the variance analysis is attached hereto as **Appendix “C”**.

OVERVIEW OF APPLICANTS’ 12-WEEK CASH FLOW FORECAST

28. The Applicants have prepared the Cash Flow Forecast for the 12-week period from April 17, 2025, to the week ending July 4, 2025, for the purposes of projecting the Applicants’ estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix “D”**. The Cash Flow Forecast is unchanged from the Proposed Monitor’s Report.

29. The Cash Flow Forecast is presented on a weekly basis and represents Management’s estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared by the Applicants using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.

30. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- (a) the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- (b) as at the date of this First Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
- (c) the Cash Flow Forecast does not reflect the Assumptions.

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

32. The Cash Flow Forecast shows that during the Cash Flow Period, the Applicants will experience a net cash outflow of approximately \$3,582,085 (peaks at ~\$5.1 million during the week-ended May 30, 2025). The Cash Flow Forecast projects that during the Cash Flow Period the Applicants should have sufficient liquidity, with the support of the DIP Facility (subject to approval of the increased borrowing amount).

33. The Proposed ARIO contemplates a DIP Facility and a DIP Lender's Charge in the amount of \$5,500,000. The Monitor notes that the DIP Facility terms include an allowable 15% variance which, at the peak projected week in the Cash Flow Forecast, may require the maximum DIP Facility amount. As detailed below, the Monitor believes that the amount of the DIP Facility and DIP Lender's Charge is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

PROPOSED AMENDED AND RESTATED INITIAL ORDER

34. The proposed ARIO contemplates certain amendments to the Initial Order to grant broader relief in relation to the stay of proceedings and increases to the Administration Charge, the DIP Lender's Charge, and the D&O Charge.

Proposed Stay Extension

35. The Initial Order provided a 10-day Stay of Proceedings up to and including April 27, 2025.
36. The Applicants seek an extension of the Stay Period to July 4, 2025 (the “**Stay Extension**”). The Monitor is of the view that the proposed Stay Extension is reasonable and appropriate in order to allow the Applicants to advance/complete on-going construction projects for the benefit of the Applicants and its stakeholders, and to implement an anticipated CCAA SISP, which will be discussed in future reports of the Monitor and in the Applicants’ motion materials when a sale process order is sought from this Court.
37. It is the Monitor’s view, based on the Cash Flow Forecast, that the Applicants will have sufficient liquidity to satisfy post filing obligations as they come due and execute on a CCAA SISP, provided the CCAA SISP is approved in due course and the increase in the DIP Lender’s Charge is granted, as further discussed below.

Increase to Administration Charge

38. The Initial Order provides for a charge up to a maximum amount of \$300,000 (the “**Administration Charge**”) in favour of counsel to the Applicants, the Monitor and the Proposed Monitor’s independent counsel, and the CRO monthly work fees (the “**Professionals**”), as security for the professional fees and disbursements incurred prior to and after the commencement of the CCAA proceedings. Professional fee obligations secured by the Administration Charge will be paid in the ordinary course from funding provided by the DIP Facility.
39. The Applicants are seeking approval of an increase to the Administration Charge from \$300,000 to \$600,000 to secure the expected ongoing fees and disbursements of the Professionals through these CCAA Proceedings.
40. The Monitor is of the view that, given the current liquidity constraints of the Applicants, the proposed Administration Charge is required. The Monitor is of the view that the Administration Charge is necessary for the effective participation of the Professionals in

these CCAA Proceedings and believes the quantum of the increased Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.

Increase to DIP Facility and DIP Lender's Charge

41. The Initial Order provides for a charge up to a maximum amount of \$2.2 million (the “**DIP Lender's Charge**”) in favour of the DIP Lender. As detailed in the Proposed Monitor's Report, the DIP Term Sheet contemplates a DIP Facility with a maximum principal amount of \$5.5 million, subject to the terms of the DIP Facility and further approval of the Court.
42. The Applicants are seeking approval of an increase in the DIP Facility from \$2.2 million to \$5.5 million and a corresponding increase in the DIP Lender's Charge from \$2.2 million to \$5.5 million in order to match the borrowing requirements (inclusive of potential permitted variances) under the DIP Facility required by the Applicants pursuant to the Cash Flow Forecast. The requested increase in the DIP Lender's Charge is a condition precedent to further advances under the DIP Facility.
43. As described in the Cash Flow Forecast, the Applicants have a continued need for interim financing and without access to the increase in the DIP Facility, the Applicants will be unable to continue operating during the Cash Flow Period.
44. Provided the DIP Facility increase and associated DIP Lender's Charge is approved by the Court, based on the Cash Flow Forecast, the Monitor believes that the Applicants will have sufficient liquidity during the Stay Extension period. The Monitor is satisfied that the amounts set out in the Cash Flow Forecast to be paid are necessary and reasonable in the circumstances.
45. The Monitor also wishes to clarify paragraph 55 of the Proposed Monitor's Report previously filed concerning the DIP Charge priority. Paragraph 55 provided that “The DIP Facility is to be secured by a court ordered priority charge over all of the Applicants property, subject only to the Administration Charge”. As set out in the Initial Order, the DIP Charge is also subject to the security granted to the Business Development Bank of

Canada up to a maximum amount of principal of \$10,225,000 plus interest on the property municipally known as 960 Zelco Drive, Burlington, Ontario, and legally described in PIN 07035-0005 and of principal of \$5,000,000 plus interest on the property municipally known as 75 Steelwell Road, Brampton, Ontario, and legally described in PIN 14028-0023 (LT).

Increase to D&O Charge

46. The Initial Order provides for a \$200,000 charge to secure an indemnity in favour of the current directors and officers of the Applicants (the “**Directors and Officers**”) against obligations and liabilities that they may incur as director or officers of the Applicants after the commencement of these CCAA Proceedings, except to the extent that the obligation or liability is incurred as a result of such director’s or officer’s gross negligence or willful misconduct (the “**D&O Charge**”).
47. As outlined in the Proposed Monitor’s Report, the Directors and Officers do not have a directors’ and officers’ insurance policy. Accordingly, the D&O Charge is needed to ensure they have coverage for post-filing director and officer obligations so as to ensure their cooperation and assistance with the CCAA Proceedings. The Directors and Officers have uniquely specialized knowledge and experience in relation to the highly technical operations of the Applicants and their important business relationships with both suppliers and customers. The Monitor is therefore of the view that the continuation of the Directors and Officers in their positions is essential to the restructuring efforts of the Applicants and is concerned that without a charge over all of the Applicants’ assets securing post-filing liabilities there can be no assurance that they will remain in their roles.
48. The Applicants are seeking approval of an increase in the D&O Charge from \$200,000 to \$400,000 to secure an increase in potential exposure of the Directors and Officers during the Stay Extension period.

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

50. Based on the forgoing, the Monitor is of the view that the increase to the D&O Charge is limited to what is required for the period under the Stay Extension, if granted, and is reasonable in the circumstances.

CONCLUSIONS AND RECOMMENDATIONS


51. The Monitor is not aware of any non-compliance by the Applicants with the requirements of the CCAA or any order issued by this Court in these CCAA Proceedings. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence.

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

53. The Monitor is therefore supportive of the Applicants request for relief pursuant to the CCAA and the terms of the ARIO.

All of which is respectfully submitted this 23rd day of April, 2025

**BDO CANADA LIMITED, in its capacity
As CCAA Monitor of the Applicants, and
not in its corporate or personal capacity.
Per:**



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

Court File No. CV-25-00741419-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED,
YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS
LTD., AND YARFIELD SERVICES LIMITED

Applicants

SECOND REPORT OF THE CCAA MONITOR

MAY 27, 2025

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(without appendices)**

**Appendix “B” – First Report of the Monitor dated April 23, 2025 (without
appendices)**

Appendix “C” – Cash Flow Variance for the Period April 17, 2025, to May 16, 2025

Appendix “D” – Updated Cash Flow for the Period May 19, 2025, to August 15, 2025

Appendix “E” – Draft Amended DIP Term Sheet

Appendix “F” – Blackline to the DIP Term Sheet dated April 16, 2025

Appendix “G” – Fee Affidavit of Clark Lonergan sworn May 26, 2025

Appendix “H” – Fee Affidavit of Heather Fisher sworn May 26, 2025

INTRODUCTION

1. On April 15, 2025 (the “**NOI Filing Date**”), Earth Boring Co. Limited (“**EBCL**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO Canada Limited (“**BDO**”), a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in EBCL’s proposal proceedings (the “**Proposal Proceedings**”). The Proposal proceedings for EBCL were converted to proceedings under the CCAA as outlined below.
2. On April 17, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) heard an application (the “**CCAA Application**”) by EBCL, Yarbridge Holdings Inc., Trolan Investments Ltd., and Yarfield Services Limited (collectively, the “**Applicants**”) for an initial order pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). These proceedings commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. On April 17, 2025, the Court granted the following orders:
 - (a) an initial order in these proceedings (the “**Initial Order**”) that, among other things:
 - (i) appointed BDO as monitor of the Applicants in these CCAA Proceedings (in such capacity, the “**Monitor**”);
 - (ii) approved a stay of proceedings for the initial 10-day period (the “**Stay of Proceedings**”);
 - (iii) extended the Stay of Proceedings to include a related party, Pennbridge Holdings Inc. (“**Pennbridge**”) and to prevent claims on performance bonds provided in relation to certain projects described in Schedule “A” to the Lien Regularization Order, discussed below;
 - (iv) approved the appointment of Steinberg Advisory Corp. as the chief restructuring officer (the “**CRO**”) over and in respect of the Applicants;

- (v) approved certain Court-ordered charges; and
 - (vi) approved the interim financing facility (the “**DIP Facility**”) to be provided by Bank of Montreal (the “**DIP Lender**”) pursuant to a DIP facility agreement (the “**DIP Term Sheet**”); and
- (b) a lien regularization order (the “**Lien Regularization Order**” or “**LRO**”) that, among other things:
- (i) stayed the rights of any person (“**Lien Claimant**”) who supplied services and/or materials to the Applicants solely with respect to certain construction projects to which the Applicants are a contracting party and which are listed in Schedule “A” to the Lien Regularization Order (the “**Continuing EBCL Projects**”) to preserve, maintain, perfect, or register liens, including by way of a notice of lien pursuant to and in accordance with the *Construction Act*, other than as permitted by the Lien Regularization Order;
 - (ii) granted a Lien Charge over certain of the Applicants property; and,
 - (iii) established the priority of the Lien Charge.
4. The Initial Order contemplated a comeback motion on April 24, 2025 (the “**Comeback Motion**”).
5. At the Comeback Motion, the Court granted an amended and restated initial order (the “**ARIO**”). Amongst other things, the ARIO:
- (a) extended the Stay of Proceedings to and including July 4, 2025;
 - (b) approved an increase to the Administration Charge (as defined in the First Report) to the maximum amount of \$600,000;
 - (c) approved an increase to the DIP Lender’s Charge (as defined in the First Report) to the maximum amount of \$5.5 million; and

- (d) approved an increase in the D&O Charge (as defined in the First Report) to the maximum amount of \$400,000 (together with the Administration Charge and DIP Lender's Charge, the "**Charges**"); and
- 6. On May 5, 2025, the Court granted additional relief pursuant to the order of Justice Steele, amending the ARIO to reflect the agreement concerning the priority of the Charges reached among certain of the Applicant's stakeholders (the "**Second Amended and Restated Initial Order**" or the "**SARIO**").
- 7. The Monitor has provided the Court with the following reports:
 - (a) the Report of the Proposed Monitor dated April 16, 2025 (the "**Proposed Monitor's Report**") in connection with the Applicants' application for protection under the CCAA; and
 - (b) the First Report of the Monitor dated April 23, 2025 (the "**First Report**") in connection with the Applicants' motion for the ARIO.

PURPOSE

- 8. The purpose of this second report of the Monitor (the "**Second Report**") is to provide information to the Court with respect to:
 - (a) the Applicants' and the Monitor's activities since the First Report;
 - (b) the Applicants' actual cash flow results for the 5-week period ended May 16, 2025, versus the budgeted results for that period, as outlined in the Applicants' 12-week consolidated cash flow from April 17, 2025, to the week ended July 4, 2025 (the "**Initial Cash Flow Forecast**");
 - (c) an overview of the Applicants' updated 13-week consolidated cash flow forecast (the "**Updated Cash Flow Forecast**") for the period May 19, 2025 to August 15, 2025 (the "**Updated Cash Flow Period**");
 - (d) an agreement between the Applicants and the Aviva Insurance Company of Canada ("**Aviva**") regarding the Proposed Sanitary Sewers and Forcemain along Various Streets and Bolton Sewage Pumping Station Modifications,

Town of Caledon, Projects 12-2210, 17-2280, 17-2192 and 18-2286 (the “**Caledon Project**”);

(e) the treatment of construction holdback amounts received by the Applicants related to Exhibition Go Station contract (the “**Exhibition Project**”), which is not subject to the LRO;

(f) the Applicants’ motion to the Court returnable on May 28, 2025 (the “**Applicants’ Third Motion**”), seeking the following:

(i) the SISP Approval Order to, among other things:

I. approve a sale and investment solicitation process (the “**SISP**”) attached as Schedule “A” to the SISP Approval Order;

II. approve the appointment of PricewaterhouseCoopers Finance Inc. (“**PwC**”) as the sales advisor (the “**Sales Advisor**”) to administer and manage the SISP (the “**Sales Advisor Engagement**”);

III. grant a charge in favour of the Sales Advisor (the “**Sales Advisor Charge**”) in the maximum amount of \$350,000, as security for the amounts owed to the Sales Advisor pursuant to the terms of the Sales Advisor Engagement;

IV. approve the Pre-Filing Report, First Report and Second Report of the Monitor and the activities described therein;

V. approve the fees and disbursements of the Monitor and its legal counsel for the period ending May 16, 2025; and

VI. approve an amendment to the definition of Administration Charge in the DIP Term Sheet to reflect the amended Administration Charge (the “**Amended DIP Term Sheet**”);

- (ii) the Third Amended and Restated Initial Order (the “**TARIO**”) to, among other things:
 - I. extend the Stay of Proceedings contained in the ARIO to and including August 15, 2025; and
 - II. approve an amendment to the Administration Charge to include the CRO and the Sales Advisor as persons benefitting from such charge, and increase the maximum amount of the Administration Charge from \$600,000 to \$750,000 to include the CRO’s Monthly Fees (as defined in the CRO Engagement) and the Sales Advisor’s Work Fee (as defined in the Sales Advisor Engagement); and
- (iii) such further and other relief as the Court may deem just and equitable; and

(g) the Monitor’s recommendations on the relief sought in the Third Motion.

9. The Monitor understands that the Applicants will be relying on the affidavit of Eugene Woodbridge sworn April 16, 2025 (the “**Initial Woodbridge Affidavit**”), filed in support of the Initial Order, the affidavit of Eugene Woodbridge sworn April 23, 2025 (the “**Second Woodbridge Affidavit**”) filed in support of the relief sought at the Comeback Motion, a further affidavit of Eugene Woodbridge sworn May 23, 2025 (the “**Third Woodbridge Affidavit**”), the Proposed Monitor’s Report, the First Report, and this Second Report.
10. The Initial Order, Lien Regularization Order, the ARIO, and all other materials filed with the Court in these CCAA proceedings are accessible on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/earth-boring-co-limited> (the “**Monitor’s Website**”). All court documents and certain other relevant documents have been and will continue to be posted as they are made available.

BACKGROUND AND OVERVIEW

11. This Second Report should be read in conjunction with the Initial Woodbridge Affidavit, the Second Woodbridge Affidavit, and the Third Woodbridge Affidavit. Additional background and financial information with respect to the Applicants was provided in the Proposed Monitor's Report and the First Report (without appendices) attached hereto as **Appendix "A"** and **"B"**, respectively.
12. Any terms not expressly defined herein are otherwise defined in the Initial Woodbridge Affidavit, the Second Woodbridge Affidavit, the Third Woodbridge Affidavit, the Initial Order, the LRO, the ARIO, the SARIO, the SISP Approval Order, the Proposed Monitor's Report, and the First Report.

TERMS OF REFERENCE

13. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Second Report in respect of the Updated Cash Flow Forecast:
 - (a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - (b) some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and

projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

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

UPDATE ON THE APPLICANTS' ACTIVITIES

17. Since the issuance of the ARIO, the Applicants have been focusing on stabilizing operations. Management, with the assistance of the CRO and Monitor, has engaged in various discussions with stakeholders, including suppliers, customers, and employees. In particular, the Applicants have been addressing a significant number of inquiries from project owners, general contractors, contractors, subcontractors, suppliers and the bonding company, Aviva.
18. As of the date of this Second Report, the Applicants have maintained their business operations without significant disruption or issues.

MONITOR'S ACTIVITIES TO DATE

19. Since the granting of the ARIO, the Monitor has:
 - (a) held regular discussions with the Applicants, CRO, and key stakeholders (including BMO, BDC, and Aviva) regarding operations, liquidity, lien resolution, Caledon Project negotiations, and broader restructuring initiatives;

- (b) assisted the Applicants with stakeholder communications, including:
 - (i) facilitating conversations with general contractors, subcontractors, and suppliers; and
 - (ii) supporting the Applicants in bidding for new work, including responding to contractor information requests and clarifying financial viability concerns;
- (c) coordinated with the Region of Peel and Aviva in connection to the Caledon Project, including:
 - (i) assisting the Applicants with analysis of cost-to-complete projections;
 - (ii) attending multiple meetings with Region of Peel and Aviva; and
 - (iii) supporting the negotiation of the new contract with Aviva, including review of updated projections and participating in settlement discussions;
- (d) responded to creditor and vendor inquiries relating to these CCAA Proceedings and the Lien Regularization Order;
- (e) engaged directly with municipalities and project owners to:
 - (i) address concerns regarding lien exposure risk for the project owners;
 - (ii) clarify confusions related to treatment of holdback release; and
 - (iii) clarify the continuation of projects, including communications to vendors on bonded projects;
- (f) implemented treasury oversight and provided support to the Applicants treasury functions and DIP Lender reporting requirements such as:
 - (i) implementing weekly treasury monitoring protocol;
 - (ii) conducting variance analysis between actual and forecasted cash flow and submitting variance updates to the DIP Lender;

- (iii) reviewing monthly DIP Lender reporting deliverables; and
 - (iv) facilitating DIP draw request;
- (g) engaged with the Applicants and the CRO on:
- (i) tracking of receipts and discussions on timing of future receipts;
 - (ii) disbursements tracking and cost approval monitoring; and
 - (iii) supporting the development of vendor payment protocols;
- (h) reviewed the Applicants' actual cash flows and supported the review and preparation of the Updated Cash Flow Forecast by:
- (i) participating in project level input review;
 - (ii) reviewing revised assumptions and stress-testing sensitivity scenarios;
 - (iii) participating in discussions related to timing of future receipts;
 - (iv) reviewing the updated vendor payments; and
 - (v) inquiring with the Applicants to stress test the Updated Cash Flow Forecast;
- (i) consulted with the Applicants development of the proposed SISF through:
- (i) participating in the review and assessment of multiple sales advisors' proposals; and
 - (ii) attending multiple sales advisors' pitch meetings alongside the Applicants;
- (j) maintained a list of all Lien Notices to Monitor submitted pursuant to the LRO;
- (k) engaged in discussions with counsel and stakeholders regarding lien claims, bonding implications, and the treatment of holdback funds;

- (l) participated in discussions between the Applicants and stakeholders regarding the priority of the Charges;
- (m) attended at the hearing on May 5, 2025 approving the SARIO;
- (n) engaged with its legal counsel, Gowling WLG (Canada) LLP (“**Gowlings**”), regarding matters related to these CCAA Proceedings; and
- (o) prepared this Second Report.

APPLICANTS’ RECEIPTS AND DISBURSEMENTS TO DATE

- 20. The Monitor’s First Report included an Initial Cash Flow Forecast for the 12-week period from April 17, 2025, to the week ending July 4, 2025.
- 21. The Monitor has reviewed the actual cash flow from operations for the 5-week period ending May 16, 2025 (the “**Initial Review Period**”), through monitoring the banking activities of the Applicants.
- 22. The Applicants’ actual cash flow from operations for the Initial Review Period, exceeded the projections for that same period by approximately \$2.6 million. This variance is a combination of timing differences of receipts and disbursements, as follows:
 - (a) the positive variance is largely due to:
 - (i) delay in vendor payments as vendors are offering short-term credit rather than the initially projected cash on delivery basis. This is coupled with timing delay associated with vendor remobilization payments, which has resulted in approximately \$2 million in disbursements being delayed;
 - (ii) delay in a CRA payment of approximately \$605,000 related to the HST portion of a future holdback release. This will be addressed once the Applicants receive the holdback amounts;
 - (iii) delay in professional and restructuring fee payments of approximately \$444,000;

- (iv) delay in payment of \$400,000 toward BMO Mastercard as Management, with the assistance of the CRO, is strictly managing the Mastercard on an on-going basis;
- (v) positive difference of approximately \$239,000 on general, administrative, and contingency spend;
- (vi) delay in union obligation payments of approximately \$175,000 as cheques issued have not yet been cashed;
- (vii) delay in debt servicing payment(s) of approximately \$133,000 to BMO in respect of capital leases, which will be paid in later weeks; and
- (viii) delay in RRSP contributions of approximately \$101,000 not yet made for key employees.

(b) the above positive variances are partially offset by:

- (i) approximately \$1.4 million delay in receipts largely due to timing differences, and notice of the CCAA proceedings and the LRO. Receipts are expected to catch up in later weeks; and
- (ii) approximately \$98,000 of variance related to payroll, due to additional work required during the Initial Review Period.

23. A summary of the variance analysis described above is attached hereto as **Appendix “C”**.

OVERVIEW OF APPLICANTS’ 13-WEEK CASH FLOW FORECAST

24. The Applicants have prepared the Updated Cash Flow Forecast for the Updated Cash Flow Period (13-week period from May 19, 2025 to the week ending August 15, 2025) for the purposes of projecting the Applicants’ estimated liquidity needs over that time. A copy of the Updated Cash Flow Forecast is attached hereto as **Appendix “D”**.

25. The Updated Cash Flow Forecast is presented on a weekly basis and represents Management’s estimates of the projected cash flow during the Updated Cash Flow

Period. The Updated Cash Flow Forecast has been prepared by the Applicants using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Updated Cash Flow Forecast.

26. The Monitor has reviewed the Updated Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

- (a) the Assumptions are not consistent with the purpose of the Updated Cash Flow Forecast;
- (b) as at the date of this Second Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Updated Cash Flow Forecast, given the probable and hypothetical assumptions; or
- (c) the Updated Cash Flow Forecast does not reflect the Assumptions.

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

28. The Updated Cash Flow Forecast shows that during the Updated Cash Flow Period, the Applicants will experience a net cash outflow of approximately \$3,900,439. With \$1,590,586 net disbursements in the Initial Review Period, the Updated Cash Flow Forecast projects that during the Updated Cash Flow Period the Applicants should have sufficient liquidity, with the support of the DIP Facility.

BACKGROUND REGARDING THE CALEDON AGREEMENT

29. The Monitor has engaged in discussions with the Applicants, Aviva and Peel regarding the completion of the Caledon Project. The Monitor expects that an executed agreement satisfactory to the parties will be executed in the near term and which will result in the continuation of the Caledon Project.

PROPOSED HOLDBACK RELEASE

30. EBCL has received approximately \$565,558 in holdback funds (inclusive of HST) with regards to the Exhibition Project. The Monitor understands that this project was completed some months ago and that there are currently no amounts owed to EBCL's vendors (the "**Exhibition Vendors**").

31. The Applicants, with the assistance of the Monitor, will reach out on the Exhibition Vendors to confirm that no amounts with regards to this project are outstanding prior to releasing these restricted funds to the Applicants.

RELIEF SOUGHT AT THE APPLICANTS' THIRD MOTION

32. The Applicants' Third Motion primarily contemplates certain relief necessary to allow the Applicants' to pursue a SISP and permit collection of its accounts receivable to help fund these CCAA Proceedings.

Proposed Stay Extension

33. The Initial Order granted a Stay of Proceedings in favour of the Applicants and the related entity Pennbridge until April 27, 2025 (the "**Stay Period**"). The ARIO extended the Stay Period to and including July 4, 2025.

34. The Applicants seek an extension of the Stay Period to and including August 15, 2025 (the "**Stay Extension**").

35. The Monitor is of the view that the proposed Stay Extension is reasonable and appropriate in order to allow the Applicants to advance/complete on-going construction

projects for the benefit of the Applicants and their stakeholders, and to implement the SISP as further discussed in this Second Report and in the Applicants' motion materials.

36. It is the Monitor's view, based on the Updated Cash Flow Forecast, that the Applicants will have sufficient liquidity to satisfy post-filing obligations as they come due (provided that the Amended DIP Term Sheet is approved, as further discussed below), and to execute on the SISP.

Increase to Administration Charge and Amendment to Administration Charge Definition

37. The ARIO provides for an Administration Charge up to a maximum amount of \$600,000 (the "**Administration Charge**") in favour of counsel to the Applicants, the Monitor, and the Monitor's independent counsel (the "**Professionals**") as security for the professional fees and disbursements incurred prior to and after the commencement of these CCAA Proceedings. Professional fee obligations secured by the Administration Charge are expected to be paid in the ordinary course from revenues of the Applicants and funding provided by the DIP Facility.

38. The Applicants are seeking approval of an increase to the Administration Charge from \$600,000 to \$750,000 and to amend the Administration Charge to include the CRO and Sales Advisor as persons benefitting from such charge as follows: (a) \$150,000 to secure the contemplated work fees of the Sales Advisor (as defined in the Sales Advisor Engagement), and (b) the CRO's Monthly Fees (as defined in the CRO Engagement), which was inadvertently omitted by the Applicants from the definition of the Administration Charge in the ARIO.

39. Given the current liquidity constraints of the Applicants, the Monitor is of the view that the proposed modest increase to the Administration Charge is necessary for the effective participation of the Sales Advisor in the SISP. The Monitor believes the quantum of the increased Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated costs to be incurred under the Sales Advisor Agreement.

Approval of the Amended DIP Term Sheet

40. As a result of the proposed amendment to the Administration Charge, a corresponding amendment to the definition of Administration Charge in the DIP Term Sheet is necessary. The proposed amendment to the definition of Administration Charge is appropriate and will prevent the need for further recourse to the Court should the Administration Charge be further amended by subsequent Order of the Court. A copy of proposed amended DIP Term Sheet and a blackline to the DIP Term Sheet are attached as **Appendix “E”** and **“F”**, respectively.

41. BMO has advised the Monitor that it is supportive of the amendment to the DIP Term Sheet.

Approval of the SISP and Sale Process Order

42. The SISP Order and SISP Procedures authorize the Monitor, with the assistance of the Applicants, to undertake a SISP to solicit offers for a sale, recapitalization, or refinancing of the Applicants Property and/or its Business.

43. The SISP Procedures provide for the proposed Sales Advisor, PwC, to carry out the SISP with the following key dates:

- (a) Court approval of the SISP by May 28, 2025;
- (b) solicitations of interest by June 2, 2025;
- (c) Phase I non-binding letters of intent by June 20, 2025;
- (d) Phase II due diligence for Selected Bidders by June 23, 2025;
- (e) Phase II binding offers by July 18, 2025;
- (f) selection of the Successful Bid (assuming no Auction) by July 21, 2025;
- (g) definitive transaction agreement to be finalized by July 25, 2025; and
- (h) pending the Sale Approval Motion, the outside date for a transaction by August 11, 2025.

44. The key terms of the SISP include the following:

- (a) the proposed Sales Advisor, PwC, is an independent third party with expertise marketing and selling complex assets such as those of the Applicants;
- (b) the SISP Procedures shall be carried out in consultation with the Applicants' principal creditors, BMO and BDC;
- (c) the SISP shall be conducted by the Sales Advisor with the assistance of the Monitor;
- (d) the SISP deadlines may be extended by the Monitor with the consent of the DIP Lender by up to two weeks in the event additional time is required to identify and close a transaction; and
- (e) the SISP provides for a procedure to permit an Insider (i.e. any shareholder or director of the Applicants) to participate in the SISP without prejudice to other stakeholders or potential bidders or the process.

45. Any sale of the Property and/or Business will be on an "as is, where is" basis, without surviving representations or warranties of any kind except as set forth in the definitive transaction documents.

46. The Monitor is of the view that the SISP Order and SISP Procedures are reasonable for the following reasons:

- (a) as set out at paragraph 28 of the Proposed Monitor's Report, the Applicants have already run their own sale and investment solicitation process leading up to these CCAA Proceedings (the "**Pre-Filing SISP**"), which supports the expedited SISP timelines. In particular, the Applicants engaged Stifel Financial Corporation to conduct the Pre-Filing SISP, which generated interest from multiple parties but did not result in a transaction in time to address the Applicants immediate liquidity needs;
- (b) the proposed Sales Advisor possesses the necessary expertise and experience in marketing and selling the Applicants Property and/or Business;

- (c) the SISP provides sufficient time to ensure potential bidders are able to perform due diligence and prepare and submit their bids;
- (d) the SISP Procedures contemplate court approval of a sale and completion of a transaction in advance of the expiration of the Stay Period; and
- (e) in the Monitor's view, the contemplated SISP Order and SISP Procedures are commercially reasonable, consistent with sale processes approved by this Court in other CCAA proceedings and have been designed to maximize value through a competitive sale process while mitigating downside costs and risk for stakeholders by limiting the length of time of the process.

47. The Monitor recommends the Court approve the SISP Order and SISP Procedures attached as Schedule "A" to the SISP Order.

Approval of the Sales Advisor Agreement and Sales Advisor Charge

48. The Applicants seek approval of the appointment of PwC as Sales Advisor and the approval of a Sales Advisor Charge up to a maximum of \$350,000 to secure the Sales Advisor's fees and disbursements. This charge is subordinate to all other Charges and to BDC's claims.

49. The Monitor is of the view that the appointment of the proposed Sales Advisor is appropriate for the following reasons:

- (a) PwC has the necessary expertise and experience in marketing and selling the Applicants Property and/or Business;
- (b) the proposed SISP will proceed on compressed timelines and the Sales Advisor will be able to facilitate the necessary marketing, due diligence for and negotiation with potential bidders;
- (c) there is a potential for Insider Bids; and
- (d) the Sales Advisor role is designed to maximize value for all stakeholders.

50. The Monitor is also of the view that the Sales Advisor Charge is necessary for the effective participation of the Sales Advisor in the SISP and believes the quantum of the

Sales Advisor Charge is reasonable, in the circumstances based upon a review and assessment of the fees provided for under the Sales Advisor Engagement.

Approval of the fees of the Monitor and its legal counsel

51. Pursuant to the SARIO, the Monitor has provided services in the amount of \$290,920.00 (excluding HST), in the period up to and including May 17, 2025. A copy of the Affidavit of Clark Lonergan, sworn May 26, 2025, which includes a copy of the Monitor's time dockets pertaining to its activities under these CCAA Proceedings for the period ending May 17, 2025, in the amount of \$290,920.00 (excluding HST) is attached as **Appendix "G"**. This represents a total of 550.9 hours at an average hourly rate of \$528.08.
52. Further, the Monitor's counsel, Gowling's, has provided services in the amount of \$103,509.55 (excluding HST) in the period up to and including May 16, 2025. A copy of the Affidavit of Heather Fisher, sworn May 26, 2025, which includes a copy of Gowling's time dockets pertaining to its activities under these CCAA Proceedings for the period ending May 16, 2025, in the amount of \$103,509.55 (excluding HST) is attached as **Appendix "H"**. This represents a total of 98.1 hours at an average hourly rate of \$1,045.73.
53. The Monitor has reviewed the accounts of its counsel and is of the view that all the work set out in these accounts was carried out and was necessary, that the hourly rates of the lawyers who worked on this matter were reasonable in light of the services required and that the services were carried out by lawyers with the appropriate level of expertise.

CONCLUSIONS AND RECOMMENDATIONS

54. The Monitor is not aware of any non-compliance by the Applicants with the requirements of the CCAA or any order issued by this Court in these CCAA Proceedings. The Monitor believes that the Applicants have acted, and continue to act, in good faith and with due diligence.
55. For the reasons stated herein, the Monitor is of the view that the relief requested by the Applicants as set forth in the Applicants' Third Motion is necessary, reasonable, and

justified and will provide the Applicants the best opportunity to preserve value and maximize recoveries for its stakeholders.

56. The Monitor is therefore supportive of the Applicants' request for relief pursuant to the CCAA and the terms of the Order sought pursuant to the Applicants' Third Motion.

All of which is respectfully submitted this 27th day of May, 2025

**BDO CANADA LIMITED, in its capacity
As CCAA Monitor of the Applicants, and
not in its corporate or personal capacity.
Per:**

A handwritten signature in black ink, appearing to read "Clark Lonergan". The signature is written in a cursive, flowing style.

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

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

Cumulative Budget to Actual Comparison

May 19, 2025 to August 8, 2025

(\$ CAD)

Cumulative				Notes
	Budget	Actual	Variance F(U)	
Receipts				
Regular Billing	7,111,388	4,339,359	(2,772,029)	Cumulative variance is primarily driven by lower May and June billings as most active projects have been delayed due to but not limited to site conditions, subcontractor performance issues, and operational setbacks, including soil-related challenges (Garner Road, Midhurst), subcontractor errors (Halton), equipment issues (Pape), customer delays on change orders (Peel Trenchless), and unforeseen utilities requiring rework (Primrose). Variance also due to -\$678K withholding reserve related to the Halton project.
Cost Plus Billings	5,921,233	1,147,829	(4,773,404)	The Caledon project started later than expected, and payments for invoices are delayed due to slow response to payment requests.
Holdback Receipts	1,240,163	515,064	(725,099)	Cumulative variance primarily due to the HST portion of the Halton holdback (-\$595K) not yet billed and collected, but it is expected to be invoiced in the coming weeks.
Old Job Collections	288,044	153,141	(134,903)	The Company collected less than forecasted on old jobs. The Company is making continued old job collection efforts and note this is likely a timing variance.
Total Receipts	14,560,828	6,155,394	(8,405,434)	
Disbursements				
Payroll - Admin	386,108	392,825	(6,717)	
Source Deductions - Admin	278,090	244,290	33,800	The cumulative variance is attributable to higher budgeted amounts across the reporting period resulting in a favourable permanent variance.
Benefits, RRSPs, Health Tax - Admin	144,792	33,089	111,703	The cumulative variance is largely due to the 2024 RRSP contribution for administrative employees (-\$124K) still not made, which is scheduled to be made in the coming weeks.
Payroll - Union	1,326,309	1,097,568	228,741	Cumulative variance is attributable to active project delays.
Union Obligations	842,973	578,493	264,480	Timing variance, will catch up in the following weeks when cheques issued to pay union obligations are cashed.
Source Deductions - Union	721,928	583,095	138,833	Cumulative variance due to lower payroll than budgeted, driven by project delays.
Third Party Labour	1,198,250	556,267	641,983	The cumulative variance is attributable to less third party labour than anticipated due to project delays, it's expected to ramp up in the coming weeks at Pape and Rhode Island.
Benefits, RRSPs, Health Tax - Union	64,074	70,272	(6,198)	
Consultants	202,609	240,702	(38,093)	Actual costs reflect three consultants, whereas only two were budgeted, resulting in a permanent negative variance.
Rent Payments	30,345	30,345	-	
Mortgage Payments	-	-	-	
Debt Servicing	416,090	397,905	18,185	
BMO Leases	549,054	549,054	-	
BMO Mastercard	420,000	369,362	50,638	Variance due to timing of credit card payment, expected to catch up in upcoming weeks when periodic payment occurs.
Insurance	256,395	256,394	1	
HST Payable/(Refund)	520,704	-	520,704	Variance largely due to the HST portion of the Halton holdback not yet billed.
Utilities/Network charges/Other	121,222	101,665	19,558	
Vendor Payments	7,900,794	3,053,587	4,847,207	The majority of the Company's vendors have continued to extend credit. As such, less pre-payments/COD have been made to date (Budget was based on a COD basis). This is coupled with active project delays and payment delays from Aviva regarding Caledon.
G&A Spend	120,000	77,908	42,092	The cumulative G&A spend category primarily reflects timing differences related to the Company's miscellaneous G&A expenses.
Professional and Restructuring	1,981,350	1,095,626	885,724	Cumulative variance is expected to decrease as new invoices are received and paid in upcoming weeks.
DIP Interest	115,000	89,501	25,499	Interest expense was lower than the budget due to lower-than-expected DIP borrowings.
Contingency	300,000	37,742	262,258	This is anticipated to be a temporary timing variance to account for unexpected expenditures.
Total Disbursements	17,896,088	9,855,690	8,040,398	
Net Cash Inflow/(Outflow)	(3,335,260)	(3,700,297)	(365,036)	
Opening Cash Balance				
	(1,590,586)	(1,590,586)		
Net Cash Inflow/(Outflow)				
	(3,335,260)	(3,700,297)		
Ending Balance				
	(4,925,846)	(5,290,883)		
DIP Facility Funding				
	5,340,000	5,500,000		
Available Funds				
	414,154	209,117		
Restricted Cash - Monitor				
	-	100,905	100,905	This amount was initially withheld by a customer to offset against liens registered against the Company. The customer has released this amount to the Monitor's trust account, the Monitor intends to release this amount into the Company's cash flow in upcoming weeks.
Restricted Cash - Company				
	4,639,294	50,494	\$ (4,588,800)	Variance largely due to Halton holdback not yet billed. The Company expects this to be billed in upcoming weeks.
Total Restricted Cash				
	4,639,294	151,399	\$ (4,487,895)	

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

7-Week Cash Flow Forecast for the Period

July 28th, 2025 to September 12th, 2025

(\$ CAD)

Notes to the Unaudited 7-Week Cash Flow Forecast of the Applicants

In preparing this cash flow forecast (the "7-Week Cash Flow Forecast") the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The 7-Week Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the 7-Week Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the 7-Week Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

Overview

The 7-Week Cash Flow Forecast includes the receipts and disbursements of all of the Applicants during the 7-Week Cash Flow Forecast period. The Applicants, with the assistance of BDO Canada Limited in its capacity as the monitor of the Applicants (the "Monitor") have prepared the 7-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings.

Assumptions:

- 0 The 7-Week Cash Flow Forecast assumes the Companies continue only with projects expected to generate positive margin/cash flow. Unprofitable projects are assumed to be excluded from ongoing operations and funding.
- 1 Represents progress billings on active construction projects and receipts from some recently completed projects (e.g., Halton, Midhurst, Pape, Lincoln, etc.).
- 2 Represents cost reimbursement and mark up per agreement with Aviva to continue the Caledon Project.
- 3 Holdback receipts related to completed projects are treated as restricted cash, pending priority determination before being moved to receipts. No holdback receipts are expected during the 7-Week Cash Flow Forecast period.
- 4 Reflects collection efforts on aged accounts receivable.
- 5 Admin payroll is paid biweekly, source deductions are remitted one week after payroll.
- 6 Represents payments for employee benefits, employer health tax, and RRSP contributions for key personnels (non C-suite).
- 7 Union payroll is paid weekly and one week in arrears. Source deductions are remitted in the week following payroll.
- 8 Majority of the amount relates to union pension contribution.
- 9 Represents third-party labour costs outsourced for specific active projects, paid weekly.
- 10 Represents fees for consultants in key management roles.
- 11 Represents rent payments for the Companies' leased office premise at 1775 N Sheridan Way, Mississauga, ON L5K 1A2.
- 12 No mortgage payments are made during this period to BDC.
- 13 Represents debt servicing on capital and equipment leases.
- 14 Represents debt servicing on two Bank of Montreal lease lines.
- 15 Periodic repayment of the BMO Mastercard used for operating expenses.
- 16 Represents monthly payments for insurance policies essential to the Companies' operations.
- 17 Represents estimated monthly net CRA HST refunds/remittances for the month prior.
- 18 Represents payments for network and utility charges essential to the Companies' head office operations.
- 19 Trade vendor payments required to continue active projects, which may contain vendor deposits.
- 20 Represents the Companies' budgeted general and administrative expenses to maintain basic administrative functions.
- 21 Costs of the Monitor and its counsel, the Companies' counsel, Companies' chief restructuring officer/sales agent, and DIP Lender's professional fees.
- 22 Interest and fees related to DIP Facility.
- 23 Contingency of \$25,000 per week starting Week 2 is assumed to cover unanticipated costs.
- 24 Relates to DIP Facility funding from the Bank of Montreal, up to a maximum amount of \$5,500,000. As of the beginning of the 7-Week Cash Flow Forecast period, \$4,600,000 has already been drawn.

THIS COMPLETION AGREEMENT dated this 13th day of June, 2025 (“**Agreement**”)

BETWEEN:

AVIVA INSURANCE COMPANY OF CANADA
 (“**Aviva**”)

- and -

THE REGIONAL MUNICIPALITY OF PEEL
 (“**Peel**”)

- and -

EARTH BORING CO. LIMITED
 (“**EBCL**”)

(together collectively, the “**Parties**”)

WHEREAS

- A. The Owner, Peel, entered into an agreement with EBCL dated December 21, 2021, the (“**Contract**”) to perform work related to Document 2021-492T Proposed Sanitary Sewers and Forcemain along Various Streets and Bolton Sewage Pumping Station Modifications, Town of Caledon, Projects 12-2210, 17-2280, 17-2192 and 18-2286 (the “**Project**”);
- B. Aviva issued Performance Bond No. 100150-22 dated January 6, 2022 with respect to the Contract wherein Peel is the obligee and EBCL is the principal (the “**Bond**”);
- C. On April 30, 2025, Peel declared EBCL in default of the Contract, and provided EBCL 5 working days to correct the default, failing which Peel advised it would terminate EBCL’s right to continue the work, make a claim under the Bond and look to Aviva to remedy the default of complete the Contract (the “**Default Notice**”);
- D. Aviva has accepted liability under the Bond and has elected to obtain a bid for submission to Peel for completing the Contract in accordance with its terms and conditions;
- E. Certain scopes of work under the Contract remain incomplete as of the date of this Agreement, as set out in Schedule “A” (the “**Remaining Work**”).
- F. Peel represents to Aviva that as of the date of this Agreement, the financial status under the Contract is as set out in Schedule “B” and that the Schedule “B” (the “**Contract Accounting**”).
- G. Aviva has arranged for the completion of the Contract by EBCL as completion contractor through this Agreement.
- H. EBCL has submitted and Peel has accepted an updated progress schedule for the Contract as of the date of this Agreement (the “**Schedule**”), copies of which are set out in Schedule “C”, which reflect adjustments to the original Contract’s substantial performance dates (the “**Revised Substantial Completion Dates**”).
- I. The Parties wish to agree on a procedure that allows for timely completion of the Contract.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual

covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The recitals to this Agreement as stated above form an integral part of this Agreement.
 2. Peel acknowledges and agrees that, to the best of its knowledge, the work performed by EBCL to date is acceptable and conforms to the requirements of the Contract.
 3. Peel acknowledges that Aviva, by executing this Agreement, is acting in its capacity as the surety in making arrangements for the performance and completion of the Contract, and not as a completing contractor and that Aviva is not assuming any obligations or liabilities beyond those set forth in the Bond and this Agreement.
 4. Peel agrees to provide Aviva (and its consultants, as applicable) reasonable access to the Project site to enable Aviva to observe the work and all of the books and records related to the Contract as are reasonably necessary to enable Aviva (and its consultants, as applicable) to verify the cost of completing the Contract.
 5. Peel agrees to provide Aviva copies of all invoices, together with all supporting documentation as required, and progress reports submitted in relation to the completion of the Remaining Work.
 6. EBCL shall supply all labour, materials and equipment necessary to complete the Remaining Work and as such will continue to perform all obligations and maintain all rights under the Contract.
 7. EBCL must comply with all insurance requirements in the Contracts, provided that the Bond shall remain in effect with respect to the completion by EBCL of the Remaining Work.
 8. Peel acknowledges and agrees that nothing in this Agreement shall increase the specified penalty amount of the Bond, and under no circumstance shall Aviva be liable to Peel for an amount in excess of the specified penalty amount of the Bond.
 9. Peel acknowledges and agrees any and all payments made by Aviva or related to completion of the Contract or for damages related to the Contract or the Remaining Work shall be credited
-

against and reduce the penal sum of the Bond on a dollar for dollar basis.

10. As set out in Schedule “B”, Peel shall immediately pay to Aviva the amount of unpaid funds owing to date (the “**Unpaid Funds**”).

11. The amount to be paid by Peel for the Remaining Work shall be equal to the balance of Contract Funds as set out in the Contract Accounting (the “**Contract Balances**”). The Contract Balances shall be invoiced by EBCL in accordance with the Contract and shall be certified and payable by Peel in accordance with the Contract, provided that any payments of the Contract Balances shall be paid to Aviva and processed in the normal course as required under the Contract. Any applicable holdbacks related to work performed under the Contract (including prior to and after the date of this Agreement) shall be withheld as required under the *Construction Act* and/or the Contract, and, upon expiry of the relevant lien period, provided there are no liens on the Project, paid to Aviva.

12. Aviva shall have no obligation to pay or fund any additional or extra work or material ordered by Peel that increases the scope of the Contract (the “**Changes**”). Peel shall nonetheless provide Aviva with copies of all requests for Changes, approved Changes and invoices immediately as they are received by Peel and shall require EBCL to make applications for payment and invoices separately for Changes.

13. Peel acknowledges and agrees that the Schedule for completion of the Contract shall be in accordance with its agreement with EBCL and as is included in Schedule “C”. Peel shall not be entitled to claim under the Bond and/or as against the Contract Balance or Unpaid Funds for any damages, losses, or otherwise, including for liquidated damages, relating to EBCL’s work under the Contract prior to the execution of this Agreement, but shall be able to claim as against the EBCL for any delay in completing the Project that occurs subsequent to the execution of this Agreement in the event of a delay to the Revised Substantial Completion Date. For greater clarity, Peel shall not be entitled to make such claim for delay against the Bond.

14. This Agreement shall not be changed, amended, or altered in any way except in writing and executed by all Parties.

15. Each party undertakes and agrees to execute and deliver any other documents, and to provide its co-operation, as may be reasonably required to give effect to this Agreement.

16. This Agreement will be governed by the laws of Ontario and the laws of Canada applicable in Ontario.

17. This Agreement will enure to the benefit of and will be binding upon the parties and all of their respective successors and assigns, directors, officers, shareholders, employees, servants, agents, and administrators.

18. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile or PDF copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above by their proper and duly authorized signing officers.

**AVIVA INSURANCE COMPANY OF
CANADA**

By: c/s Name:
Title:

THE REGIONAL MUNICIPALITY OF PEEL

By: c/s Name:
Title:

EARTH BORING CO. LIMITED

DocuSigned by:
Gene Woodbridge

By: c/s Name: Gene woodbridge
Title: CEO

SCHEDULE "A"

1. Bolton Pump Station Modification (Electrical, Mechanical, Valve Chambers, etc.)
 2. Harvestview Pump Station Decommissioning
 3. Sewer Tie-ins (Upstream and Downstream)
 4. Trench Box Removals
 5. Open-Cut Manhole Installations and Completion
 6. Manhole Closure Pieces and Tunnel Shaft Backfill
 7. Existing Manhole Benching Modifications
 8. Sewer Pipe Decommissioning and Flow Redirections
 9. Final Restoration
 10. Project close out
-

SCHEDULE “B”

Item	Value (excluding HST)
Contract Value	\$26,973,896.54
Base Contract Value Less Contingency	\$25,680,792.54
Contingency (allocated for Changes)	\$1,293,104.00
Approved Changes	\$1,782,589.97
Revised Contract Value (Base contract plus approved changes)	\$27,463,382.51
Approved for Payment	\$26,236,568.95
Unpaid funds	\$187,100.20
Statutory Holdback (10%)	\$2,623,656.90
Maintenance Holdback	\$524,731.38
Maintenance Holdback beginning PC 18 (0.07790%)	\$10,920.67
Contract Balances (Revised Contract Value less approved Payment)	\$1,226,813.56

All amounts exclusive of HST.

The amounts set out in the tables herein represent the accounting from Peel with respect to the Contract, and the minimum amounts in respect of the Contract accounting. In the event of any increases to the Contract value based on increases to contingency amounts or approved changes, such amounts shall be paid to Aviva in accordance with paragraph 11.

SCHEDULE "C"

See Attached

EBCL AGREEMENT

THIS AGREEMENT is made and concluded this 13th day of June, 2025 (the “**Agreement**”), by and among:

AVIVA INSURANCE COMPANY OF CANADA

(“**Aviva**”)

- and -

EARTH BORING CO. LIMITED

(“**EBCL**”)

(collectively, the “**Parties**”)

WHEREAS:

- A. EBCL entered into an agreement with the Regional Municipality of Peel (“**Peel**”) dated December 21, 2021, to perform work related to Document 2021-492T (the “**Contract**”) Proposed Sanitary Sewers and Forcemain along Various Streets and Bolton Sewage Pumping Station Modifications, Town of Caledon, Projects 12-2210, 17-2280, 17-2192 and 18-2286 (the “**Project**”);
- B. Aviva issued Performance Bond No. 100150-22 dated January 6, 2022 with respect to the Contract wherein Peel is the obligee and EBCL is the principal (the “**Bond**”);
- C. On April 17, 2025, EBCL, among others, filed for protection under the CCAA and obtained an Initial Order (the “**CCAA Proceedings**”). The Initial Order, *inter alia*, appointed BDO Canada Limited as Monitor;
- D. On April 30, 2025, Peel declared EBCL in default of the Contract, and provided EBCL five (5) working days to correct the default, failing which Peel advised it would terminate EBCL’s right to continue the work, would make a claim under the Bond and look to Aviva to remedy the default of complete the Contract (the “**Default Notice**”);
- E. On May 8, 2025, Peel terminated EBCL’s right to continue with work on the Project (the “**Termination Notice**”);
- F. Aviva has accepted liability under the Bond and has elected to obtain a bid for submission to Peel for completing the Contract in accordance with its terms and conditions; and
- G. Aviva and EBCL wish to enter into an agreement for the completion of the work in the Contract as set out in Schedule “A” (the “**Remaining Work**”), and pursuant to the Completion Agreement between Aviva, EBCL and Peel dated the date of this Agreement (the “**Completion Agreement**”).

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

CERTAIN DEFINITIONS

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Monitor**” means BDO Canada Limited.

“**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

“**Initial Order**” means an order of the Ontario Superior Court of Justice (Commercial List) dated April 17, 2025 pursuant to which, *inter alia*, EBCL, among others, were granted protection under the CCAA, as amended, restated or otherwise modified from time to time.

“**Financial Advisor**” means such party or parties as Aviva may from time to time appoint pursuant to the terms of this Agreement to perform the functions of the Financial Advisor hereunder.

“**Project Consultant**” means such party or parties as Aviva may from time to time appoint pursuant to the terms of this Agreement to perform the functions of the Project Consultant hereunder.

“**Surety Agreements**” means this Agreement and the Completion Agreement.

COMPLETION OF CONTRACT

2. EBCL shall supply all labour, materials and equipment necessary to complete the Remaining Work and will complete the Remaining Work in accordance with the terms and conditions of the Contract, subject to any modifications contained in the within Agreement and the Completion Agreement, including the Revised Substantial Completion Dates (as defined in the Completion Agreement) notwithstanding the Default Notice and Termination Notice already issued by Peel. To the extent any future EBCL-related defaults occur under the Contract, Aviva shall be entitled to proceed as set out below.

3. EBCL warrants all of the labour and materials it provided under the Contract, and the labour and materials to be provided under this Agreement, according to the warranty terms of the Contract.

4. EBCL is to commence the Remaining Work on the Project within four business days (4) of execution of this Agreement and the Completion Agreement. EBCL shall diligently pursue completion of the Remaining Work and achieve substantial performance by a date to be agreed to by Peel, EBCL and Aviva (the “**Substantial Performance Date**”), unless otherwise agreed to by

Peel and EBCL. All provisions from the Contract relating to the timely completion of the work shall apply under this Agreement as modified to reflect this new Substantial Performance Date.

5. EBCL agrees to pay for and discharge all liabilities incurred by it for labour, materials and services used or reasonably required for use in the performance of the Remaining Work.

6. This Agreement, the Contract and the Completion Agreement are intended to be complementary and are intended to require all work and services by EBCL necessary to complete the Remaining Work in compliance with this Agreement, the Contract and the Completion Agreement. In the case of conflict between the terms of this Agreement and the Contract, the terms of this Agreement shall have priority.

MONITOR

7. The Monitor shall track EBCL's receipts and disbursements in respect of the Remaining Work, and report to Aviva, as required.

FINANCIAL ADVISOR AND PROJECT CONSULTANT

8. Aviva may, at its sole cost, appoint a Financial Advisor and/or Project Consultant for the purpose of:

- (a) assisting EBCL in completion of the Remaining Work;
- (b) monitoring the progress of the Remaining Work under the Contract;
- (c) tracking and reviewing EBCL's receipts and disbursements in respect of the Remaining Work and financial records in relation to the Contract;
- (d) reviewing all agreements relating to the Contract; and
- (e) performing the other functions of the Financial Advisor and/or Project Consultant set out herein,

and reporting to Aviva all of the foregoing.

9. The Financial Advisor and/or Project Consultant shall have access during normal business hours to all, job sites, books, records, contracts, accounts, and other records and files of EBCL solely related to the Contract/Project, provided that nothing herein shall derogate from any other reporting obligations of EBCL to Aviva unrelated to the Contract/Project.

CONTRACT FUNDS

10. EBCL hereby assigns, transfers and sets over to Aviva all of its respective right, title, and interest in and to any and all present and future Contract funds, together with all claims, rights of action accrued, or which may accrue, thereunder. Aviva shall retain its legal and equitable rights of subrogation to the Contract funds, and nothing herein shall be deemed to abrogate, void, terminate or waive such rights.

11. With respect to payment of EBCL in relation to the Remaining Work:

- (a) During the period while the Remaining Work is being completed, any amounts certified and payable by Peel shall be paid to Aviva. Upon expiry of the relevant period under the *Construction Act*, R.S.O. 1990, c. C.30, any holdback amounts in relation to the Contract shall be paid to Aviva.
- (b) Immediately following the execution of this Agreement, Aviva shall pay to the Monitor \$1,500,000 (the “**Initial Advance**”) to be held as a deposit of restricted cash, to be advanced to EBCL for the Cost of the Work (defined below). The Monitor shall at all times maintain a minimum amount of \$500,000 held as restricted cash.
- (c) The “**Cost of the Work**” shall include the following:
 - (1) all costs incurred on the Project since April 17, 2025 until the date of executing this Agreement, as identified in the budget set out in Schedule “A” plus a markup of 45% and plus HST. For clarity, the Actual and Allocated Costs (as defined below) may differ from the Schedule “A” budget; and
 - (2) all costs on the Project from and after the date of this Agreement, as identified in the budget set out in Schedule “A”, plus a markup of 45%; and plus HST. For clarity, the Actual and Allocated Costs may differ from the Schedule “A” budget.
- (d) The Cost of the Work will be paid by Aviva to the Monitor without any right of set-off.
- (e) On the execution of this Agreement, and upon receipt of the Initial Advance, the Monitor shall advance to EBCL the Actual and Allocated Costs (defined below) since April 17, 2025, plus a \$250,000 initial advance to cover the restart of the Contract/Project (the “**Initial EBCL Advance**”), provided that the payment of the \$250,000 shall be used in completion of the Remaining Work. The Initial EBCL Advance will be deducted from the final advance made by the Monitor to EBCL.

- (f) Following the execution of this Agreement, from amounts being held by the Monitor from the Initial Advance and any Top Up Payment (as defined below), the Monitor shall advance to EBCL the Actual and Allocated Costs on a bi-weekly basis, in arrears.
- (g) On a weekly basis, the Monitor and EBCL will track all expenditures relating to the Remaining Work and will provide a detailed accounting to the Financial Advisor and/or Project Consultant by the Wednesday of each week, which shall include all supporting documents as requested and required by Aviva, in accordance with clauses 7, 8 and 11 herein.
- (h) On a bi-weekly basis, EBCL and the Monitor will review and finalize the actual amount in respect to the Cost of the Work inclusive of amounts for subcontractors and suppliers (which, for greater clarity, shall be paid directly by EBCL from the Initial Advance and any Top Up Payment) for the prior two weeks (the “**Actual and Allocated Costs**”) and submit the Actual and Allocated Costs to Aviva. In the event the aggregate of the Actual and Allocated Costs exceeds \$1,000,000, Aviva shall, within five (5) business days, forward to the Monitor the difference between \$1,000,000 and the aggregate of the Actual and Allocated Costs (the “**Top Up Payment**”).
- (i) Within ten (10) days of obtaining substantial completion of the Project, such that the Remaining Work is complete and all subcontractors and suppliers have been paid, to the extent there are any funds advanced by Aviva remaining with the Monitor, these funds shall be returned to Aviva.

EBCL CO-OPERATION

12. EBCL shall assist and cooperate with Aviva in the completion of the Contract, and shall provide and make available to Aviva and its representatives all documentation relevant to same and shall, to the extent possible, make reasonably available all employees and personnel with knowledge of the Contract.

13. EBCL shall maintain accurate books of account showing clearly, among other things, the itemized receipts and disbursements allocable to the Remaining Work, and such books of account shall be available for examination by Aviva, the Financial Advisor, or the Project Consultant at all times during regular business hours.

14. EBCL hereby authorizes Aviva, the Financial Advisor and/or Project Consultant and its representatives, including attorneys, accountants, consultants, or employees, to visit the job site described in the Contract on reasonable notice and to obtain access to records and personnel to determine the status of the progress of the Remaining Work.

15. EBCL shall use its best efforts to aid in the completion of the Remaining Work and to complete the Remaining Work on a timely basis, in accordance with the terms of this Agreement and the Completion Agreement, to the fullest extent possible.

16. EBCL shall not:

- (a) take action of any nature which may hinder, impede, delay, disrupt, forestall, or cause damage to the Contract or Aviva's interests as contemplated herein; or
- (b) sell, use, or rent any of their equipment or machinery in any manner which will interfere with or delay the completion of the Contract.

CONTROL

17. It is not the intention of Aviva to take any control or direction over the business, operations or affairs of EBCL and nothing herein shall be construed as indicating any such intention. The rights given to Aviva hereunder and under the other Surety Agreements are intended solely to protect the position of Aviva on the Bond.

TERMINATION AND DEFAULT

18. From and after the date of this Agreement, in the event EBCL is placed in default by Peel under the terms and conditions of the Completion Agreement, Aviva may terminate this Agreement, without any subsequent payment by Aviva to EBCL under this Agreement or otherwise. For clarity, this clause does not apply to the Default Notice or Termination Notice that was already provided by Peel.

19. Upon the termination of this Agreement by Aviva, Aviva may obtain, recover, and receive the Contract funds and the funds then on deposit in an Aviva account and may, in its sole discretion, (A) use said monies to reimburse itself for any losses, or (B) use the Contract funds in completion of the Contract and for the payment of suppliers and subcontractors thereunder. Aviva shall also be reimbursed by the Monitor any amounts advanced by Aviva remaining with the Monitor, and the Monitor shall not deduct from such amounts any Costs of the Work subsequent to the date of termination.

20. In the event that Aviva fails to comply with its obligations in this Agreement, EBCL may terminate this Agreement and EBCL shall be paid by Aviva for all Costs of the Work until the date of termination, provided that the Monitor shall first use any amounts already advanced by Aviva to pay such Costs of the Work, and, to the extent any excess amounts remain with the Monitor, such funds shall be repaid to Aviva. Aviva shall pay the suppliers and subcontractors for all costs for their work until the date of termination.

MISCELLANEOUS PROVISIONS

21. It is understood and agreed that Aviva, by entering into the Surety Agreements is in no manner bound or committed to enter into any further agreements with EBCL, and EBCL hereby specifically acknowledges and agrees that its execution of this Agreement or any other documents heretofore executed by EBCL, has not been induced by or made in reliance upon any representation by Aviva or any of its representatives, attorneys, accountants, consultants or employees with respect to:

- (a) further advances either to or on behalf of EBCL;
- (b) any forgiveness of any indemnity claim or breach of trust claim; and/or
- (c) any extension of any future bonding facility or the issuance of any further bonds to EBCL.

22. This Agreement has been drafted equally by all Parties and shall not be subject to the rule of construction that a written agreement is construed against the party preparing or drafting the agreement.

23. This Agreement is solely for the benefit of the Parties hereto and shall not create any rights in any person not a party hereto, or in any way increase the rights of any third persons, or increase the obligations of any party hereto to any third person, or increase the liability of Aviva. This Agreement shall not be construed as enlarging the obligations of Aviva in any manner under the MSA, the Bond or any other bonds issued by Aviva, or the Contract.

24. EBCL shall not be entitled to assign this Agreement or any rights or obligations hereunder without approval of the Court or the prior written consent of Aviva. Subject to the foregoing, this Agreement shall enure to, and be binding upon, each of the Parties and their respective successors and permitted assigns.

25. Any notice, demand, request, consent or approval which is required or permitted to be given or made by Aviva to EBCL pursuant to any provision of this Agreement may be given or made in writing and may be served personally by email to

(i) In the case of EBCL:

1775 North Sheridan Way
Mississauga, ON L5K 1A2

Attention: Eugene Woodbridge
Email: gene@earthboring.ca

With a copy to:

Reconstruct LLP
80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A3

Attention: Caitlin Fell
Email: cfell@reconllp.com

(ii) In the case of Aviva:

Aviva Global Corporate & Specialty
10 Aviva Way, Suite 100
Markham, ON L6G 0G1

Attention: Sean Marchant
Email: sean.marchant@aviva.com

With a copy to:

Borden Ladner Gervais LLP
22 Adelaide St. W, Suite 3400
Toronto, ON M5H 4E3

Attention: Rich Yehia and Sam Babe
Email: ryehia@blg.com and sbabe@blg.com

(iii) In the case of the Monitor:

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

Attention: Clark Lonergan
Email: clonergan@bdo.ca

With a copy to:

Gowling WLG (Canada) LLP
1 First Canadian Place
100 King Street, Suite 1600
Toronto, ON M5X 1G5

Attention: Clifton Prophet and Heather Fisher
Email: clifton.prophet@gowlingwlg.com and
heather.fisher@gowlingwlg.com

26. Every such notice so given shall be deemed to be received on the day of delivery, if served personally, or on the first business day following the day of couriering, if sent by courier, or on the business day following the date of transmission if sent by email.

27. Other than as disclosed to the Court in the CCAA Proceedings, EBCL agrees that the terms of this Agreement and any related documents executed by the Parties are to remain confidential as between the Parties unless Aviva provides its express written consent to the disclosure or EBCL is enforcing the terms of this Agreement.

28. Each party undertakes and agrees to execute and deliver any other documents, and to provide its co-operation, as may be reasonably required to give effect to this Agreement.

29. This Agreement will be governed by the laws of Ontario and the laws of Canada applicable in Ontario.

30. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section, the delivery of a facsimile or PDF copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

[signature page to follow]

IN WITNESS WHEREOF, this instrument has been duly executed, signed and sealed the day and year first above written.

EARTH BORING CO. LIMITED

DocuSigned by:
Gene Woodbridge

Signature: 896E3B9A56B14A6...

Print Name: Gene woodbridge

Title: CEO

I have authority to bind the corporation

AVIVA INSURANCE COMPANY OF CANADA

Signature:

Print Name:

Title:

I have authority to bind the corporation

SCHEDULE “A”

- 1- Bolton Pump Station Modification (Electrical, Mechanical, Valve Chambers, etc.)
- 2- Harvestview Pump Station Decommissioning
- 3- Sewer Tie-ins (Upstream and Downstream)
- 4- Trench Box Removals
- 5- Open-Cut Manhole Installations and Completion
- 6- Manhole Closure Pieces and Tunnel Shaft Backfill
- 7- Existing Manhole Benching Modifications
- 8- Sewer Pipe Decommissioning and Flow Redirections
- 9- Final Restoration

Budget for items 1 to 9 above	\$2,442,860.55
Project Management	\$180,000.00
Rental Allowance	\$500,000.00
Direct Equipment Allowance	\$564,000.00
Sub Total	\$3,686,860.55
Markups Allowance	\$1,659,087.25
Total	\$5,345,947.80

Fisher, Heather

From: Prophet, Clifton
Sent: August 12, 2025 11:48 AM
To: Yehia, Rich; Caitlin Fell; Yin, Heron; Sean Marchant; Adam Baker; Ron Hicks; Sheri Aberback; Justin Lafrenière; Guillaume Camirand
Cc: Lonergan, Clark; Marchand, Matthew; Armes, Samantha; Jessica Wuthmann; Fisher, Heather; Babe, Sam; R. Brendan Bissell
Subject: RE: Adjusted Top Up Payment Request re: Caledon Project - Earth Boring
Attachments: Adjusted Top Up Payment Request re: Caledon Project - Earth Boring

I am writing on behalf of the Monitor in response to the exchanges that you've had with counsel to EBCL concerning the Monitor's request for a Top Up Payment by your client Aviva in accordance with the agreement between Aviva and EBCL made as of June 13, 2025 in relation to Projects 12-2210, 17-2280, 17-2192 and 18-2286 in the Town of Caledon (the "EBCL Caledon Agreement"). I have attached the e-mail dated August 8 from Heron Yin of BDO to representatives of your client and its consultant which details the request (the "Payment Request"). Capitalized words and phrases not otherwise defined in this e-mail shall have the meaning ascribed to them in the EBCL Caledon Agreement.

In response, as I understand it from your communications, your client is refusing to pay contrary to the EBCL Caledon Agreement on the basis that it is requesting further information about the Caledon project and other EBCL projects, which information has been the subject of numerous discussions between the parties. In addition, we understand that your client asserts that it has not been given adequate transparency concerning the Caledon Project.

With respect to the latter point, the Monitor has been advised that EBCL's onsite manager produces a work log every day to track work being invoiced under the EBCL Caledon Agreement. This work log is sent each day to 4 representatives of your client's consultant JS Held. As well, we are advised that 2 to 3 times per week JS Held representatives attend on site to inspect the work being done and the documentation in place from time to time with the municipality. Based directly on the work logs and the work audited by your client's consultant, EBCL then issues invoices to the Monitor for approval.

The Monitor has reviewed your e-mail of August 11, 2025, wherein you and your client assert further objections to the Monitor and the Company's calculation of Actual and Allocated Costs and the Monitor's request for the Top Up Payment that is due. The Monitor disagrees with these objections. In particular, the Monitor notes the following:

1. Contrary to your assertions, the EBCL Caledon Agreement specifically contemplates payment of remobilization costs as part of the Actual and Allocated Costs from April 17, 2025 plus the \$250,000 initial advance to cover the restart of the project (EBCL Caledon Agreement, s. 11(e)).
2. More generally, the objections raised by you and your client also proceed on the false premise that the Remaining Work is somehow restrictively defined by the 9 general categories of work set out in Schedule "A" to the EBCL Caledon Agreement. The categories provide only the most general of information and, by agreement, lack any detail that could somehow drive a restrictive scope of work that would apply to exclude amounts for remobilization, owned equipment charges and standby costs or other general costs. The Monitor further notes that the EBCL Caledon Agreement provides that the Cost of the Work shall include "all costs" and that the Actual and

Allocated Costs may differ from the Schedule "A" budget (EBCL Caledon Agreement, s. 11(c) and elsewhere).

3. The objections raised by you and your client to the amounts invoiced by UCI have been addressed in Heron Yin's detailed August 8 analysis of the receipts and disbursements for this project. As well, the objections raised to the application of amounts advanced by the Monitor to the different outstanding trade invoices have been answered through Mr. Yin's reconciliation.
4. Your comment that the Initial EBCL Advance is not a gratuitous payment is also misguided. Under the EBCL Caledon Agreement, the Initial EBCL Advance has been applied to Actual and Allocated Costs that are reflected in the invoices issued by EBCL that the Monitor has analyzed and reconciled. This is a red herring.

It is the Monitor's view that EBCL and the Monitor have provided Aviva the access and information required under the agreement in relation to the project. It is the Monitor's further view that there is no basis to withhold payment of the amounts sought in the Payment Request based on claimed information requests related to other projects. As noted, under the EBCL Caledon Agreement, Top Up Payments are to be made for all Actual and Allocated Costs on the project and these may differ from the scheduled budget. Under s. 11(h) of the EBCL Caledon Agreement, Aviva has an obligation to pay the amount by which the aggregate of the Actual and Allocated costs exceeds \$1,000,000. Including the requirement to replenish the \$500,000 of the Initial Advance to be kept as a reserve, this amounts to the \$1,298,639 set out in the Payment Request. Should Aviva fail to pay this amount on or before the close of business on August 12, the Monitor is of the view that Aviva will be in breach of its obligations under the EBCL Caledon Agreement and will report this circumstance to the Court and take whatever further steps may be necessary and appropriate.

May we please have your confirmation that Aviva will forthwith pay the Monitor the amount set out in the Payment Request, to be applied on account of the significant outstanding invoices issued by EBCL in accordance with the EBCL Caledon Agreement?

Clifton Prophet
Partner
T +1 416 862 3509
clifton.prophet@gowlingwlg.com



From: Yehia, Rich <RYehia@blg.com>
Sent: August 11, 2025 7:12 PM
To: Caitlin Fell <cfell@reconllp.com>; Yin, Heron <hyin@bdo.ca>; Sean Marchant <sean.marchant@aviva.com>; Adam Baker <adam.baker@aviva.com>; Ron Hicks <rhicks@jsheld.com>; Sheri Aberback <sheri.aberback@mnp.ca>; Justin Lafrenière <justin.lafreniere@mnp.ca>; Guillaume Camirand <guillaume.camirand@mnp.ca>
Cc: Lonergan, Clark <clonergan@bdo.ca>; Marchand, Matthew <mmarchand@bdo.ca>; Armes, Samantha <sarmes@bdo.ca>; Jessica Wuthmann <jwuthmann@reconllp.com>; Fisher, Heather

<Heather.Fisher@ca.gowlingwlg.com>; Prophet, Clifton <Clifton.Prophet@ca.gowlingwlg.com>; Babe, Sam <SBabe@blg.com>

Subject: RE: Adjusted Top Up Payment Request re: Caledon Project - Earth Boring

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Caitlin,

Our response is set out below in red.

Rich

Richard Yehia

Lawyer

T 416.367.6186 | F 416.367.6749 | RYehia@blg.com

Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3

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Borden Ladner Gervais LLP

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From: Caitlin Fell <cfell@reconllp.com>

Sent: August 11, 2025 11:32 AM

To: Yin, Heron <hyin@bdo.ca>; Sean Marchant <sean.marchant@aviva.com>; Adam Baker <adam.baker@aviva.com>; Ron Hicks <rhicks@jsheld.com>; Sheri Aberback <sheri.aberback@mnp.ca>; Justin Lafrenière <justin.lafreniere@mnp.ca>; Guillaume Camirand <guillaume.camirand@mnp.ca>

Cc: Lonergan, Clark <clonergan@bdo.ca>; Marchand, Matthew <mmarchand@bdo.ca>; Armes, Samantha <sarmes@bdo.ca>; Jessica Wuthmann <jwuthmann@reconllp.com>; Fisher, Heather <heather.fisher@gowlingwlg.com>; Prophet, Clifton <clifton.prophet@gowlingwlg.com>; Yehia, Rich <RYehia@blg.com>; Babe, Sam <SBabe@blg.com>

Subject: RE: Adjusted Top Up Payment Request re: Caledon Project - Earth Boring

[External / Externe]

Rich – following up on the below. The company has a major variance in its cash flows as a result of the Caledon funds not being paid. There is no basis in the Aviva/EBCL agreement for Aviva to hold up payment.



Caitlin Fell
Partner

T | 416.613.8282

C | 416.258.5843

E | cfell@reconllp.com

Reconstruct LLP | Restructuring and Litigation Lawyers
80 Richmond Street West, Suite 1700, Toronto, ON M5H 2A4

From: Yin, Heron <hyin@bdo.ca>

Sent: Friday, August 8, 2025 2:23 PM

To: Sean Marchant <sean.marchant@aviva.com>; Adam Baker <adam.baker@aviva.com>; Ron Hicks <rhicks@jsheld.com>; Sheri Aberback <sheri.aberback@mnp.ca>; Justin Lafrenière <justin.lafreniere@mnp.ca>; Guillaume Camirand <guillaume.camirand@mnp.ca>

Cc: Lonergan, Clark <clonergan@bdo.ca>; Marchand, Matthew <mmarchand@bdo.ca>; Armes, Samantha <sarmes@bdo.ca>; Caitlin Fell <cfell@reconllp.com>; Jessica Wuthmann <jwuthmann@reconllp.com>; Fisher, Heather <heather.fisher@gowlingwlg.com>; Prophet, Clifton <clifton.prophet@gowlingwlg.com>; ryehia@blg.com; sbabe@blg.com

Subject: Adjusted Top Up Payment Request re: Caledon Project - Earth Boring

Aviva Team,

Following the Monitor's August 1, 2025, top-up funding request (the "Previous Request") under the Aviva EBCL Agreement for the Caledon project (the "Project"), and in response to certain comments from Aviva, the Monitor sets out below a detailed summary of the Company's cost-plus invoicing methodology, the Monitor's review procedures, and proposed adjustments to the Previous Request based on Monitor's latest review. Based on the Monitor's analysis, reflected in the summary below, we are hereby making an adjusted Top Up Payment request for the sum of \$1,298,639 in accordance with section 11(h) of the Aviva EBCL Agreement. The Monitor requires these monies to be paid forthwith.

Aviva has responded to the request regarding the first two invoices, namely 29031-1 and 29031-2. The remaining 3 invoices have not yet been reviewed by Aviva, and we understand that the Aviva/JS Held and EBCL teams are scheduled to review these invoices together on Wednesday. Our comments below relate to Aviva's review of the first two invoices.

Project Billing

As contemplated under the Aviva EBCL Agreement, the Company issues cost-plus invoices comprising five cost categories (the "Cost Categories") related to the Project. Billing methodology for the Cost Categories, as well as Monitor's testing procedures, are summarized as follows:

- **Payroll:** Weekly gross payroll (incl. CPP, EI, union burdens, vacation) averaged over a historic period is used to calculate hourly rates for each employee. This is then multiplied by actual hours worked for each billing period, which is tracked through timesheets that is also submitted to Aviva's onsite consultant, J.S. Held, along with the daily work record (the "DWR").
 - The Monitor performed recalculation of the historic hourly rates based on payroll registers' data and reviews a summary of hours worked by employee for each billing period.

The EBCL crew hours (hourly) included in the first 2 invoices were for scopes of work (demobilization and remobilization etc.) that were not included in the CtC summary and the resulting Schedule "A" therefore are not payable under the agreement. While the agreement states that the amounts in Schedule "A" are estimates, the scope of work is not. The amounts invoiced for are not included in the relevant scope of work that is to be paid by Aviva, and therefore are not payable.

In addition, Chris Keough is an EBCL salaried superintendent/PM and his costs should be covered under the 45% OH&P.

- **Owned Equipment:** The Company calculates billing rates using OPSS.PROV 127 industry-standard rates with standby time billed at 50%. Equipment hours and standby time are tracked daily on site and reported to J.S. Held along with the DWR. Hours are submitted weekly by the project manager (the "PM") to the Company.
 - The Monitor reviews the summary of equipment hours submitted by the PM for each billing period and selectively performs recalculations for certain line items in the submitted billings.

The owned equipment charges during the demobilization period were not included in the CtC summary and the resulting Schedule "A" therefore are not payable under the agreement. While the agreement states that the

amounts in Schedule "A" are estimates, the scope of work is not. The amounts invoiced for are not included in the relevant scope of work that is to be paid by Aviva, and therefore are not payable.

In addition, standby equipment costs should be covered under the 45% OH&P.

- **Equipment Rentals:** Based on actual rental invoices related to the Project. The Company prorates (if applicable) for pre/post-filing periods and bills the post-filing portion to Aviva.
 - The Monitor performs a review of equipment rental related invoices for each billing period. Invoices are assessed to confirm they identify the Project to which it relates.

Same comment as above.

- **Vendor Costs:** Based on trade invoices received from vendors related to the Project.
 - The Monitor performs a review of vendor invoices for each billing period. Invoices are assessed to confirm they identify the Project to which it relates.

Certain of these costs are disputed, as set out in our prior email. These include the alleged costs for Tetragon and UCI, for the reasons previously explained. We also note that while EBCL has invoiced Aviva for these costs, it does not appear as though EBCL has paid them in full, and in fact has only paid 50% of vendor costs. As set out in 11(h) of the agreement, EBCL is required to pay these costs.

- **Insurance:** An estimated blended rate per \$1,000 in revenue (based on historic) is applied to each billing period's revenue.
 - The Monitor reviewed the applied rate per \$1,000 of revenue and performs recalculation based on revenue of each billing period.

Insurance costs were not included in the CtC complete summary and the resulting Schedule "A" therefore not payable under the agreement. In any event, insurance is treated as an overhead cost and should be included within the 45% OH&P that EBCL is receiving for Caledon completion.

The Monitor summarized the Cost Categories for the 5 invoices submitted to Aviva (the "Submitted Invoices"), and created the following summary chart:

Project Billing Summary			A	B	C	D	E	F = Sum of A to E
Invoice #	Period Start	Period End	Payroll	Equipment (Internal)	Equipment (Rental)	Vendor Costs	Insurance	Expenses Total
21039-1	4/17/2025	6/13/2025	18,081.85	100,019.19	205,220.38	49,360.53	-	372,681.95
21039-2	6/14/2025	6/27/2025	1,896.00	48,255.77	-	38,544.63	1,826.37	90,522.77
21039-3	6/28/2025	7/4/2025	19,334.30	21,899.58	-	43,185.24	334.17	84,753.29
21039-4	7/5/2025	7/11/2025	28,489.89	45,765.45	102,532.37	273,115.95	1,780.94	451,684.60
21039-5	7/12/2025	7/18/2025	19,812.22	36,110.90	23,492.09	185,001.97	1,046.70	265,463.88
Total			87,614.26	252,050.89	331,244.84	589,208.32	4,988.18	1,265,106.49

To date, the Monitor has advanced \$1,147,829 to the Company, for three invoices totaling \$897,829 and the \$250,000 Initial EBCL Advance, using the \$1,500,000 Initial Advance received by the Monitor:

Initial Advance to Monitor	1,500,000
Less: Payments to EBCL	
Initial EBCL Advance	(250,000)
Payment - 21039-01	(610,639)
Payment - 21039-02	(148,322)
Payment - 21039-03	(138,868)
Remaining Balance	352,171

The Monitor's trust account currently stands at \$352,171 (the "Remaining Balance"). The Initial Advance is not a gratuitous payment. It is required to pay for Project costs as well, and was to be used as an advance to assist with mobilization, and must be factored into any calculation of amounts payable on the completion agreement.

Disbursement Summary

Per above, Trade vendor related expenses/disbursements for the Submitted Invoices total to \$589,208, summarized as follows: See above comment re: vendor payments.

Vendor Disbursements Summary						
Invoice #	Period Start	Period End	Billed to Aviva	Paid to Vendor	Outstanding Payables	Reconciliation
21039-1	4/17/2025	6/13/2025	49,360.53	24,260.32	25,100.21	-
21039-2	6/14/2025	6/27/2025	38,544.63	35,894.63	2,650.00	-
21039-3	6/28/2025	7/4/2025	43,185.24	112.73	43,072.51	-
21039-4	7/5/2025	7/11/2025	273,115.95	159,436.45	113,679.50	-
21039-5	7/12/2025	7/18/2025	185,001.97	79,609.61	105,392.36	-
Total			589,208.32	299,313.74	289,894.58	-

Per above, Equipment Rental expenses/disbursements for the Submitted Invoices total to \$331,245, summarized as follows:

Equipment (Rental) Disbursements Summary						
Invoice #	Period Start	Period End	Billed to Aviva	Paid to Vendor	Outstanding Payables	Reconciliation
21039-1	4/17/2025	6/13/2025	205,220.38	151,593.34	53,302.04	325.00
21039-2	6/14/2025	6/27/2025	-	-	-	-
21039-3	6/28/2025	7/4/2025	-	-	-	-
21039-4	7/5/2025	7/11/2025	102,532.37	2,903.97	99,628.40	-
21039-5	7/12/2025	7/18/2025	23,492.09	330.00	23,162.09	-
Total			331,244.84	154,827.31	176,092.53	325.00

An overbilling of \$325 + HST was noted on invoice 21039-1 submitted to Aviva. This will be included as part of adjustment discussed later.

The Monitor noted timing mismatches in disbursements due to several workflow and vendor-related issues, including delays in reconciling rental invoices that span pre and post-filing periods, early on delays in internal A/P processes where invoices were sent by the PM to the CFO to be billed to Aviva, but not forwarded to A/P for posting, and instances where certain vendors required upfront deposits, prepayments, or shorter credit terms, resulting in expenses being paid ahead of Aviva funding invoice 21039-4 and 21039-5.

Adjusted Top Up Request

The Monitor's Previous Request for \$1,322,877 submitted in accordance with Section 11 of the Aviva EBCL Agreement is summarized as follows:

- \$1,175,048 to fund outstanding invoice amounts for Invoice 21039-4 and 21039-5; and
- \$147,829 to replenish the required minimum reserve balance to \$500,000.

Following the Monitor's latest review of the Project disbursements, the Monitor proposes two downward adjustments to the Previous Request:

- Equipment Rental overbilling correction (\$325 + HST) as noted above.
- UCI invoice adjustment (\$21,125 + HST) - previously raised by Aviva for having costs unrelated to Caledon, this is to be rebilled once tried up.

The above adjustments reduce the funding request by a total of \$24,238, resulting in a **revised top-up request of \$1,298,639**, summarized below: Again, there will need to be a reconciliation of the first two invoices, and our detailed comments on these invoices are set out in the enclosed PDF. EBCL/JS Held/Aviva will be meeting to discuss the remaining invoices on Wednesday. At this time, Aviva does not agree that there is any amount owing under the Agreement. After the meeting Wednesday, we will revert with further comments on the remaining 3 invoices and Aviva's position on the same.

Outstanding Invoices	
21039-04	740,085
21039-05	434,963
Total Outstanding	1,175,048
Less:	
UCI Invoice	(23,871)
Equipment Rental Overbill	(367)
Monitor's Remaining Balance	(352,171)
Remaining Outstanding Amount	798,639
Add: Minimum Balance Requirement	500,000
Adjusted Top Up Payment	1,298,639

Best,
Heron Yin, CPA
Manager, *Business Restructuring & Turnaround Services*
Financial Advisory Services
Direct: 647 798 9849
hyin@bdo.ca

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 Before you print think about the environment

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Court File No. CV-25-00741419-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EARTH BORING CO. LIMITED, YARBRIDGE HOLDINGS INC., TROLAN
INVESTMENTS LTD., AND YARFIELD SERVICES LIMITED**

**AFFIDAVIT OF CLARK LONERGAN
(Sworn August 12, 2025)**

I, **CLARK LONERGAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Partner of BDO Canada Limited (“**BDO**”), and as such have personal knowledge of the matters referred to herein.
2. On April 15, 2025 (the “**NOI Filing Date**”), Earth Boring Co. Limited (“**EBCL**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). BDO, a Licensed Insolvency Trustee, was named proposal trustee (the “**Proposal Trustee**”) in EBCL’s proposal proceedings (the “**Proposal Proceedings**”).
3. On April 17, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an order (the “**Initial Order**”) granting EBCL, Yarbridge Holdings Inc., Torlan Investments Ltd., and Yarfield Services Limited (collectively the “**Applicants**” or the “**Companies**”) protection pursuant to the *Companies Creditors Arrangement Act*, R.S.C.

1985, c. C-36 (the “**CCAA**”). Pursuant to the Initial Order BDO was appointed as CCAA Monitor (the “**Monitor**”).

4. BDO, as proposed monitor, prepared a pre-filing report dated April 16, 2025 (the “**Proposed Monitor’s Report**”) to provide information to the Court for its consideration in respect of the Applicants’ CCAA Application.
5. On April 24, 2025, on the Applicants’ comeback motion, the Court granted additional relief pursuant to the order of the Honourable Madam Justice Steele (“**Justice Steele**”), approving an extension of the initial stay to July 4, 2025, and increasing the Administration Charge, DIP Lender’s Charge and D&O Charge (all defined in the Initial Order and together the “**Charges**”) (the “**Amended and Restated Initial Order**” or “**ARIO**”). Certain matters relating to the order of priority with regard to the Charges were deferred to a later date.
6. BDO, as Monitor, prepared a first report dated April 23, 2025 (the “**First Monitor’s Report**”) to provide information to the Court for its consideration in respect of the Applicants’ comeback motion and ARIO.
7. On May 5, 2025, the Court granted additional relief pursuant to the order of Justice Steele, amending the ARIO to reflect the agreed upon priority of Charges reached among certain of the Applicant’s stakeholders (the “**Second Amended and Restated Initial Order**” or the “**SARIO**”).
8. The Monitor prepared a second report dated May 27, 2025 (the “**Second Report**”) to the Court in which it outlined its activities with respect to the Applicants and the Monitor as well as provided information with respect to the Monitor’s fees and disbursement and those of its legal counsel up to and including May 17, 2025.
9. On May 28, 2025, the Court granted additional relief pursuant to the orders of Justice Cavanagh to, among other things:
 - a. approve the sale and investment solicitation process (the “**SISP**”), approve the appointment of PricewaterhouseCoopers Corporate Finance Inc. (“**PWC**”) as sales

advisor (the “**Sales Advisor**”) to assist the Monitor and the Applicants to implement the SISP, and grant the Sales Advisor a charge (the “**Sales Advisor Charge**”) in the maximum amount of \$350,000 (the “**SISP Approval Order**”); and

- b. extend the Stay of Proceedings up to and including August 15, 2025, and amend the Administration Charge to include the CRO and the Sales Advisor and increase the amount of the Administration Charge from \$600,000 to \$750,000 (the “**Third Amended and Restated Initial Order**” or the “**TARIO**”).
10. On August 12, 2025, the Monitor finalized its a third report (the “**Third Report**”) to provide information to the Court regarding the implementation of the SISP and to outline the activities with respect to the Applicants and the Monitor as well as provided information with respect to the Monitor’s fees and disbursement and those of its legal counsel since the Second Report.
 11. Pursuant to the Third Amended and Restated Initial Order, the Monitor has provided services in the amount of \$184,655.32 (excluding HST) which is inclusive of \$20,000.00 courtesy discount and incurred disbursements of \$520.32, in the period May 18, 2025, to July 18, 2025 (the “**Period**”) with respect to services provided. Attached hereto and marked as **Exhibit “A”** to this Affidavit is a summary of all invoices, rendered by the Monitor on a periodic basis during the Period (the “**Monitor’s Accounts**”).
 12. True copies of the Monitor’s Accounts, which include a fair and accurate description of the services provided along with hours and applicable rates claimed by the Monitor, are attached as **Exhibit “B”** to this Affidavit.
 13. In the course of performing its duties pursuant to the Second Amended and Restated Initial Order, the Monitor’s staff has expended a total of 362.4 hours during the Period. Attached as **Exhibit “C”** to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Monitor’s appointment and the hours and applicable rates claimed by the Monitor for the Period. The average hourly rate billed by the Monitor during the Period is \$508.10.

14. The Monitor requests that this Court approve its Monitor's Accounts for the Period, in the total amount of \$184,655.32 (excluding HST) for services rendered and recorded during the Period.
15. The time shown in the detailed account attached as Exhibits A-D are a fair and accurate description of the services provided and the amounts charged by the Monitor, which reflect the Monitor's time as billed at the standard billing rates.
16. Gowling WLG (Canada) LLP ("**Gowling**"), as independent legal counsel to the Monitor, has provided legal services to the Monitor, rendered services throughout these proceedings in a manner consistent with the instructions of the Monitor and has prepared an affidavit with respect to the services rendered in the period May 18, 2025 to July 31, 2025 (the "**Counsel's Period**"). The Monitor has reviewed the invoices rendered by Gowling during the Counsel's Period.
17. To the best of my knowledge, the rates charged by the Monitor and Gowling are comparable to the rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
18. I verily believe that the fees and disbursements incurred by BDO, in its respective capacity as Monitor, and Gowling are fair and reasonable in the circumstances.

19. This affidavit is sworn in support of the Applicant's Motion for, among other things, approval of the Monitor's fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN by Clark Lonergan at the City of Toronto, in the Province of Ontario, virtually before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



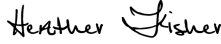
DocuSigned by:
Heather Fisher
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Commissioner for Taking Affidavits
Heather Fisher
(LSO #75006L)

DocuSigned by:
Clark Lonergan
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CLARK LONERGAN

This is Exhibit “A” referred to in the Affidavit of Clark Lonergan affirmed by Clark Lonergan at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

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A COMMISSIONER FOR TAKING OATHS
Heather Fisher
(LSO#75006L)

EXHIBIT "A"

BDO CANADA LIMITED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
 EARTH BORING CO. LIMITED, YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS LTD., AND YARFIELD SERVICES LIMITED
 FEES SUMMARY FROM MAY 18, 2025 TO JULY 18, 2025

Invoice #	Period	Fees Incurred	Disbursements	Courtesy Discount	Subtotal	HST	Total
CINV3494371	May 18, 2025 to June 6, 2025	\$103,036.00	\$520.32	-\$7,500.00	\$96,056.32	\$12,487.32	\$108,543.64
CINV3519322	June 7, 2025 to June 30, 2025	\$57,631.50	\$0.00	-\$7,500.00	\$50,131.50	\$6,517.10	\$56,648.60
CINV3556906	July 1, 2025 to July 11, 2025	\$20,090.00	\$0.00	-\$2,500.00	\$17,590.00	\$2,286.70	\$19,876.70
CINV3556919	July 12, 2025 to July 18, 2025	\$23,377.50	\$0.00	-\$2,500.00	\$20,877.50	\$2,714.08	\$23,591.58
		\$204,135.00	\$520.32	-\$20,000.00	\$184,655.32	\$24,005.19	\$208,660.51

This is Exhibit “B” referred to in the Affidavit of Clark Lonergan affirmed by Clark Lonergan at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Heather Fisher
2E7B29C04CC6424

A COMMISSIONER FOR TAKING OATHS
Heather Fisher
(LSO#75006L)


EXHIBIT "B"

BDO CANADA LIMITED

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
EARTH BORING CO. LIMITED, YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS LTD.,
AND YARFIELD SERVICES LIMITED
DISBURSEMENTS SUMMARY FROM MAY 18, 2025 TO JULY 18, 2025**

Meals & Mileage		520.32
Total	\$	<u>520.32</u>

This is Exhibit “C” referred to in the Affidavit of Clark Lonergan affirmed by Clark Lonergan at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

2E7B29C04CC6424

A COMMISSIONER FOR TAKING OATHS
Heather Fisher
(LSO#75006L)



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

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

INVOICE

Earth Boring Co. Limited
1775 North Sheridan Way
Mississauga, ON L5K 1A2

Attention: Gene Woodbridge

Date

July 3, 2025

Invoice No.

CINV3494371

Re: Earth Boring Co. Limited - CCAA

FOR PROFESSIONAL SERVICES RENDERED in connection with our engagement in the above noted matter for the period May 18, 2025 to June 6, 2025 as per the details below.

Our Fee	\$ 103,036.00
Disbursements: Mileage, Air Fare, Meals, Car Rental	520.32
Courtesy Discount	(7,500.00)
Sub Total	<u>96,056.32</u>
HST - 13%	12,487.32
TOTAL	<u><u>\$ 108,543.64</u></u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	57.6	785.00	45,216.00
H. Yin, Manager	90.7	500.00	45,350.00
S. Armes, Sr. Analyst	31.5	395.00	12,442.50
T. Montesano, Analyst	0.1	275.00	27.50
Total	<u>179.9</u>		<u><u>\$ 103,036.00</u></u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	19-May-25	Review of Aviva/MNP correspondence and discussion with BDO team re: the same, etc.; Review of Sales Agent engagement letter and fee discussion re: the same, etc.; Discussion with H. Yin re: cash flow draft.	1.1
H. Yin	19-May-25	Correspondence with C. Lonergan re: feedback on cash flow draft. Revise re: same, etc.; Email to MNP re: cumulative variance analysis, correspondence with C. Lonergan re: same.	3.5
C. Lonergan	20-May-25	Caledon project update with the Company; SISP update correspondence with the Sales Agent/Company; Meet with Company, BDO team, and CRO re: Midhurst project delays and next steps; Update call with Counsel re: LRO process and Halton Project, namely customer payments and next steps; Call with Rose Corporation and Company/BDO team debrief re: the same; Preliminary update CCAA cash flow discussion with Company, CRO, and BDO team, review re: same and discuss with BDO team; Aviva agreement review and update, Caledon agreement review, receipt timing, etc. Discussions with BDO team re: same and proposed changes; Discussions with Company and BDO team re: Caledon cost schedule, etc.	3.6
H. Yin	20-May-25	Meet with Company, CRO, and C. Lonergan re: Midhurst project delays, next steps, etc.; Call with W. Werth to discuss preliminary cash flow figures, revisions, etc.; Prepare for meeting with Company and CRO re: cash flow. Meet with Company, CRO, and C. Lonergan re: updated 13-week cash flow; Meet with Company and CRO re: updated timing of receipts, etc.; Reconciliation of accrued AP to be reflected within the updated 13-week cash flow; Multiple correspondence with C. Lonergan, revisions to updated 13-week cash flow; Addition of Caledon project to updated 13-week cash flow, review of Caledon cost schedule and correspondence with C. Lonergan and K. Verwey re: same; Correspondence with BMO re: treasury set up for restricted cash; Review of Caledon agreement, correspondence with C. Lonergan re: same and propose changes to Company's counsel; Email to C. Lonergan re: AR letters, disclaimers, etc.; Review various correspondence from Company, CRO, counsel, and C. Lonergan re: Midhurst, projects, etc.; Review Company email re: Midhurst, draft re: same and send to C. Lonergan.	14.8
C. Lonergan	21-May-25	Update call with Company, CRO and customers re: the Midhurst project, Caledon project; Review of previous notes re: customer and BDO call and updated Company information re: the same; Daily update call with Company, CRO, Counsel and BDO team; Review of legal correspondence re: Waterloo potential projects, PwC engagement letter; Follow up and discussion with Counsel re: the same; Put together framework for the Second Report and discussions with Counsels re: the same; Update call with BDO team and Company re: updated CCAA cash flow items, SISP procedures. Update and discussions with Counsels re: the same, project update on Daine City; SISP follow up with Sales Agent re: next steps; Cash receipts analysis and meeting with the Company/BDO team re: the same, etc.; Review of CCAA cash flow variance and discussion with BDO team re: the same.	4.8



Staff	Date	Comments	Hours
H. Yin	21-May-25	Correspondence with R. Marsella re: counsel requests on lien tracking, vendors on bonded jobs, etc. Draft response to counsel re: same; Review of latest changes on Caledon agreement. Multiple correspondence with C. Lonergan re: same, etc.; Discussions with C. Lonergan, Company, and Rose Corp re: Midhurst project, timeline, etc.; Meet with C. Lonergan, CRO, and Company re: updated 13-week cash flow, etc.; Discussions with Company re: Caledon project cash flow display, etc. Discussions with C. Lonergan re: same; Conduct cumulative budget to actual variance analysis, discussions with C. Lonergan re: changes, and send to Bank re: same; Various discussions with Company re: updated P&L, third party labour allocations, etc. Incorporate revisions accordingly into the updated 13-week cash flow; Finalize new draft of updated 13-week cash flow and send to C. Lonergan for review, discussions re: same.	12.5
C. Lonergan	22-May-25	Review of Company affidavit and discuss with Company counsel re: the same; Review of revised DIP cash flow variance reporting and discussion with BDO team re: same; LRO correspondence and follow up with Company and Counsel; Follow up with Company and Bank re: equipment lease items; Aviva agreement update with Company counsel; Update call with Bank and BDO team re: updated 13-week cash flow, DIP and other items, etc.; Correspondence with BDO team re: finalized revision of the CCAA cash flow.	2.1
H. Yin	22-May-25	Multiple correspondence with C. Lonergan, Company, CRO re: updated 13-week cash flow, DIP cash flow variance reporting. Finalize re: same, update HST tracking, and circulate to working group; Discussions with Company re: changes to be made to disbursements, third party labour, etc.; Meet with C. Lonergan and the Bank re: cumulative budget to actual variance reporting, DIP, updated 13-week cash flow, next steps, etc.; Correspondence with Company re: break out of vendor payments by project and vendor; Make final revisions to the updated 13-week cash flow, finalize and circulate to the Bank, Company, CRO, counsel, etc.; Review various correspondence from Company, counsel, etc. Attend call with Company re: next steps, status update, etc.	8.8
C. Lonergan	23-May-25	Draft affidavit and finalize invoices; Multiple discussions with the Bank re: upcoming motion, Midhurst cash flow, professional fees, and SISP; Correspondence with Bank and Counsel re: debt purchase, review of motion materials - SISP, affidavit, etc.; Follow up with Counsels re: motion materials; Draft sections of the Monitor's Second Report; Update discussions with BDO team re: treasury functions, project P&L and project cash flow tracking; Update call with BDO and Bank re: Midhurst, cash flow, etc. Correspondence with H. Yin re: cash flow section for the Second report; Correspondence with H. Yin re: cash flow bridge to previous version, review H. Yin's comparison email to BMO;	6.4
H. Yin	23-May-25	Review and update fee affidavit for the Second Report, send to counsel re: same; Correspondence with C. Lonergan re: cash flow section of the Second Report. Draft and compile cash flow related appendices, draft cash flow section of the Second Report and send to Counsel for review; Correspondence with C. Lonergan and BMO re: Midhurst project in cash flow; Correspondence with C. Lonergan	9.2



Staff	Date	Comments	Hours
		re: cash flow bridge for BMO. Draft comparison email on previous cash flow vs. Updated 13-week cash flow for BMO; Review of multiple correspondences received from Company, counsel, etc.; Multiple correspondence with vendors, etc.; Correspondence with Company re: updating working copy of cash flow file, etc.; Multiple discussions with C. Lonergan re: project P&L, cash flow tracking by project, treasury functions, etc.; Review of various documents re: court hearing: draft order, affidavit, etc.; Clean up of updated 13-week cash flow excel file to be circulated.	
C. Lonergan	24-May-25	Review of cash flow sections of the Second report; Discussion with BDO team re: cash flows, etc.	0.5
H. Yin	24-May-25	Correspondence with C. Lonergan re: cash flow sections of the Second report; Update to BMO re: initial 13-week cash flow vs. Updated 13-week cash flow. Discussions with C. Lonergan re: same.	0.5
S. Armes	26-May-25	Preparation of updated daily monitoring for vendor disbursements per project; review of project level disbursements; Discussion with H. Yin re: project updates, union labour reconciliation, treasury function tracking, updates on initial 13-week cash flow vs updated 13-week cash flow; Update call with the Company, CRO, Counsel, and BDO team.	3.0
C. Lonergan	26-May-25	Drafting and finalizing the Monitor's Second Report; Review and finalizing Monitor's activities section of the Second Report; Review and finalizing updated CCAA cash flows and review of variance narrative for the Second Report. Discussions with BDO team re: same; Discussions with BDO team to update fee affidavit section, discussions with Counsel re: same; Daily update call with the Company, CRO, Counsel and BDO team; Review of SISP process and discussion with Company re: the same; Follow up with Aviva and Company re: next steps. LRO update; Review of project level updates and project AR collections; Review of Aviva requests, etc.	6.6
H. Yin	26-May-25	Multiple correspondence with counsel, C. Lonergan re: Monitor's Second Report review; Review and revise Second Report and call with C. Lonergan re: same, etc. Updates to the cash flow and Monitor's activities section; Correspondence with vendors re: CCAA and current situation; Discussions with S. Armes re: updating the treasury function tracking, project level updates, reconciliation of union labour, new 13 week cash flow, etc.; Correspondence with C. Lonergan and counsel re: fee affidavit and update to appendices re: same; Review of various correspondences received from vendors' counsel; Review of detailed vendor disbursement tracking reconciliation. Daily update call with the Company, CRO, Counsel & BDO team.	5.5
T. Montesano	27-May-25	Correspondence with H. Yin re: creditor's detail updates. Revise and ensure accuracy of creditor's contact details.	0.1
S. Armes	27-May-25	Prepare variance template reporting for Bank reporting. Email to H. Yin for review; Call with C. Lonergan and H. Yin re: accrued professional fees and variance analysis; Discussions with CRO and H. Yin re: reconciliations of CRO cost tracker to BDO working papers, perform reconciliation re: same with H. Yin; Attend call with	3.0



Staff	Date	Comments	Hours
		Company, CRO and Company counsel re: status updates and next steps.	
C. Lonergan	27-May-25	Finalize the Second Report and discussions with BDO team re: same; Update with BDO team re: variance analysis, project updates, and professional fees accrued; Various update discussions with Counsels and BDO team re: Admin Charge and BDC issues with the \$750k charge, Update call with PwC re: Admin. Charge; Daily update call with Company, CRO, Counsel and BDO team, etc. Correspondence with BDO team: Second report matters.	3.7
H. Yin	27-May-25	Compile all documents and correspondence to BDO IT team to update Monitor's website; Correspondence with vendor and T. Montesano re: updating mailing addresses; Email to CRO re: clean and formatted updated 13-week cash flow, discussions re: same, Midhurst cost overruns, etc.; Correspondence with W. Werth re: updated CRO cost tracking, perform reconciliations to BDO internal working papers re: same with S. Armes; Discussions with S. Armes re: variance reporting, review re: same. Discussions with C. Lonergan and S. Armes re: professional fees accrued; Email previously submitted budget to actual reporting to TGF; Attend call with Company, CRO, and Company's counsel re: next steps and status updates; Multiple correspondence with C. Lonergan re: Second Report, project update discussions.	7.6
S. Armes	28-May-25	Meeting with CRO re: discuss updates to the ongoing project; Meet with D. West re: variance analysis for reporting, invoice reviews, disbursements tracking updates; Update of payroll monitoring for the week; Correspondence with H. Yin for review of updated weekly variance reporting. Meet with BMO team re: same; Call with Company, CRO, and Counsel re: status updates, next steps, etc.	4.0
C. Lonergan	28-May-25	Update for Counsel re: admin charge composition and success fee amounts; Review of Court materials; Review of the various changes to SISP and Admin charge; Discussion with Bank and Counsels re: cash flow, SISP and other items; Update on BDC changes and discussion with Counsel re: the same; Discussion with Company re: Caledon cash flows and agreement, DIP reporting and treasury function; SISP material review and discussion with Sales Agent re: next steps and timing; Review of McNally letter and discussion with Counsels and Company re: next steps; Call with company, CRO and Company's Counsel re: status updates, next steps, etc.	4.7
H. Yin	28-May-25	Review of notice of claims, correspondence with Company re: same; Update correspondence with BDO IT team re: uploading court documents; Correspondence with S. Armes and review of budget to actual variance reporting. Meet with BMO re: same; Follow up with D. West re: missing invoice numbers in BDO disbursement tracking workbook; Call with Company, CRO, and Company's counsel re: status update, next steps; Email to BDC re: reporting items, variance monitoring.	3.4
S. Armes	29-May-25	Correspondence with Company re: payroll data and vendor disbursements. Review re: same and update BDO internal weekly monitor tracking working papers. Discussions with H. Yin re: payroll	3.0



Staff	Date	Comments	Hours
		reconciliation; Daily call with Company, Counsel, and CRO re: receipts, next steps, etc.	
C. Lonergan	29-May-25	Review Midhurst project update, cost updates. Follow up with Company and CRO re: next steps with Rose Corp; SISP Teaser and NDA review; Daily call with Company, Counsel, CRO and BDO team re: AR update, next steps, etc.	2.6
H. Yin	29-May-25	Correspondence with Company re: credit card issue, email to BMO re: same; Reconciliation of payroll data and correspondence with S. Armes re: same; Email to MNP re: variance reporting; Email to BMO re: opening restricted cash account and Caledon project account; Multiple discussions with CRO re: cost updates, Midhurst project update, etc.; Correspondence with Company's counsel re: McNally, correspondence with CRO and Company re: same; Discussions with W. Werth re: PAPE equipment rental, email C. Lonergan re: same; Call with Company re: next steps, receipts, etc.	4.5
C. Lonergan	30-May-25	Update and review of the Caledon agreement; Treasury update with BDO team; Midhurst update with CRO; Reporting requirements re: Caledon and set-up re: the same; Follow up re: MC, SISP update with Sales Agent, etc.; Correspondence with BDO team: vendor updates, sales process, Caledon draft agreement, and claims process for Exhibition project, etc.	2.2
H. Yin	30-May-25	Call with BMO re: treasury set up and update C. Lonergan re: same; Correspondence with vendors and correspondence to Company re: same; Call with C. Lonergan re: next steps, draft Caledon agreement, notifying vendors on Exhibition project, sales process, etc.; Correspondence with PwC re: sales process updates, buyers list, DNAs, etc.; Email to Company and Company's counsel re: Aecon Exhibition Place project next steps, communication to vendors, etc.; Correspondence with W. Werth re: upcoming disbursements, etc.; Review of the latest draft agreement correspondence with C. Lonergan re: same.	4.3
C. Lonergan	1-Jun-25	Discussion with CRO re: next steps, project P&L. Update discussion with Counsel re: the same, etc.	0.5
S. Armes	2-Jun-25	Prepare weekly variance reporting for BMO, correspondence with D. West re: variance reporting, Caledon monitoring, Aviva agreement, etc.; Discussion with BDO Team re: Caledon and Midhurst project updates; Multiple correspondences with H. Yin: Variance reporting, monitoring for Caledon, Aviva agreement, etc.; Draft monitoring protocol outline for H. Yin's review, discussions re: same.	3.0
C. Lonergan	2-Jun-25	Update on Caledon and Midhurst projects with BDO team, trust account set up, etc.; Discussion with Counsel re: Aviva agreement, Aviva's information requests, SISP NDA and insider procedures, etc. Update with Company Counsel re: the same; LRO item review, follow up with creditors re: the same; Treasury function update with BDO team, Midhurst discussion with BDO team and CRO.	2.6
H. Yin	2-Jun-25	Correspondence with BDO team re: trust account set up for Caledon project, treasury function update, Caledon and Midhurst project update, etc.; Follow up re: credit card unfreeze and correspondence re: same with Company; Call with vendors re: CCAA process, next	4.8



Staff	Date	Comments	Hours
		steps, etc. Discussions with Company's counsel re: same; Discussions with S. Armes re: Caledon monitoring, Aviva agreement, etc.; Discussions with S. Armes re: previous and current variance reporting, etc.; Follow up with Company re: Aecon communications to past vendors re: holdback release; Correspondence with Counsel re: vendor lien claim follow up, project performed, LRO, Aviva, information to be requested etc.; Discussions re: Midhurst with Company and CRO, discussions with C. Lonergan re: same; Correspondence with Company re: interest charges to be returned, status, etc.; Review of Caledon monitoring protocol summary from S. Armes, discussions re: same; Review Company's counsel email re: Halton liens, correspondence with Counsel re: same.	
C. Lonergan	3-Jun-25	Discussion and correspondence with Bank re: leasing items; Update call with Company Counsel and BDO Counsel re: Aviva response, Caledon project, SISP update, and Sales Agent items; Update with Sales Agent and review of correspondence from BDO re: the same, buyer tracker format, etc.; Call with Company, CRO and Counsel re: Midhurst project; Caledon update with Company and BDO team re: new project set up, P&L for projects, cash flow, etc.; Discussions with H. Yin re: Midhurst updated P&L, updates to cash flow re: same, etc. Discussions with Company re: same.	3.4
S. Armes	3-Jun-25	Finalize budget to actual variance reporting and discussion with D. West re: same; Update call with the Company and BDO: Caledon project set up in the ERP, project P&L, cash flow, etc.	4.5
H. Yin	3-Jun-25	Correspondence with Company counsel re: list of projects; Follow up with BMO re: equipment leases paydown frequency; Correspondence with C. Lonergan re: sales process update format. Email to PwC re: buyer tracker, etc.; Discussions with BDO team re: Caledon project set up in ERP, project P&L, cash flow, etc. Follow up with Company re: restricted cash account, ERP system set up for Caledon, etc.; Discussions with Company and CRO re: updated Midhurst P&L. Review P&L, layer into cash flow and correspondence with C. Lonergan re: same; Discussions with Company, Company's counsel, and BDO team re: Midhurst P&L; Discussions with Company re: month end reporting package to DIP lender. Email to DIP lender re: same; Correspondence with Company re: Aecon project; Review of correspondence with sales agent re: NDA, SISP management, etc.	5.5
C. Lonergan	4-Jun-25	Calls with Company, CRO, Counsel and BDO team re: Midhurst update, next steps, re: the same; Update email to the Bank re: Midhurst and discussion with the Bank re: the same, DIP variance update; Discussion with BDO team re: the same, update with Sales Agent re: SISP, follow up with Counsel re: LRO items, NDA update, etc.; Discussions with H. Yin re: new DIP size and review correspondence to BMO re: same.	4.2
S. Armes	4-Jun-25	Update call with Company, CRO, Counsel, and BDO team re: Midhurst project updates, next steps, etc.; Weekly variance reporting discussions with H. Yin and call with the Bank re: same; Completion of payroll and vendor payment tracking for the week ended.	4.0
H. Yin	4-Jun-25	Meet with Company and CRO re: Midhurst P&L, plan forward, etc. Size up DIP with new P&L and correspondence with C. Lonergan re:	5.8



Staff	Date	Comments	Hours
		same, etc.; Draft email update re: updated DIP size to BMO, correspondence with BDO team re: same; Review of weekly budget to actual variance reporting to BMO, discussions with S. Armes and BMO re: same, etc.; Discussions with Company re: catch up of vendor payments, professional fees, etc.; Email to BMO re: details of capital leases; Correspondence with Company re: various items, next steps, etc.; Calls with vendors re: CCAA, sales process, etc.; Review of May AP listing comparison against April 16th AP listing. Email to MNP re: same.	
S. Armes	5-Jun-25	Weekly cashflow review meeting with CRO team, BDO, and the Company. Discussions with D. West re: lease payments, professional fees, A/P listings; Discussions with C. Russo on plans for next week for ongoing tracking of jobs, project reporting, project accounting, treasury functions, etc.; Discussions with C. Lonergan and the Company re: treasury functions, Caledon project accounting, and updates; Daily call with Company, CRO, BDO team, and Counsel re: next steps, etc.	4.0
C. Lonergan	5-Jun-25	Midhurst update and analysis; Meeting with Company, CRO and Counsels re: Midhurst update and analysis; Update discussion with Company and BDO team re: accounting functions, treasury project reporting, and Caledon project accounting; Update discussion with DIP Lender re: reporting, Midhurst requirements, and SISP update; Update call with Counsel re: Caledon, Peel Holdbacks; Update discussion with Company re: Halton project, daily cash flow; Next steps call with Company, CRO, BDO team and Counsel, etc.	4.8
S. Armes	6-Jun-25	Communication with the Company re: setting up the new ERP code for Caledon; Review of various items re: including Aecon holdback, setting up bank account, leases, etc.; Communication to Aviva/BDC/MNP re: the updated variance analysis. Correspondence with C. Lonergan re: treasury update, prefiling amounts, holdback accounts, BMO leases, etc.	3.0
C. Lonergan	6-Jun-25	Treasury update with BDO team and Bank re: pre/post filing accounts, and Monitor's holdback accounts Update on leases and payments re: the same, follow up on Holdback and LRO items, repair and mechanic amounts. Discussion with Company, CRO and Counsel re: the same; Update call with Counsel re: SISP; Update call with Sales Agent re: NDA and SISP update for stakeholders; Review of Midhurst projection and discussion with CRO, Company and Counsels re: the same; Update on Caledon accounting and other items, BDC follow up on variance reporting and professional fees, etc.	3.8



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

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

INVOICE

Earth Boring Co. Limited
1775 North Sheridan Way
Mississauga, ON L5K 1A2

Attention: Gene Woodbridge

Date

July 14, 2025

Invoice No.

CINV3519322

Re: Earth Boring Co. Limited - CCAA

FOR PROFESSIONAL SERVICES RENDERED in connection with our engagement in the above noted matter for the period June 7, 2025, to June 30, 2025, as per the details below.

Our Fee	\$ 57,631.50
Less: Courtesy Discount	<u>(7,500.00)</u>
Sub Total	50,131.50
HST - 13%	<u>6,517.10</u>
TOTAL	<u>\$ 56,648.60</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	41.7	785.00	32,734.50
H. Yin, Manager	14.0	500.00	7,000.00
S. Armes, Sr. Analyst	45.1	395.00	17,814.50
T. Montesano, Analyst	0.3	275.00	82.50
Total	<u>101.1</u>		<u>\$ 57,631.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
C. Lonergan	7-Jun-25	SISP update to stakeholders, etc.	0.4
S. Armes	9-Jun-25	Daily regroup call with The Company/CRO. Preparation of the variance analysis for Week 3. Correspondence with Management re: variance analysis of the week; Correspondence with the Bank re: interest payments, lease payments, etc.; Review of receipts/disbursements for the week ending June 6th, 2025. Correspondence with the Company and C. Lonergan re: ongoing projects, etc.	5.0
C. Lonergan	9-Jun-25	Update conversation with Company and BDO team re: Midhurst and Caledon projects; Additional discussion with Company re: SISP; Update correspondence and conversations with CRO re: Midhurst/Rose Corp; Update conversation with Counsel re: the same, lease update with Company and BMO; Various discussions and correspondence regarding the Caledon project and PM interview request from Aviva counsel; DIP interest calculation and discussion with BDO team and Bank re: the same, SISP NDA discussion with Purchaser and Counsel, review of Midhurst cash flow and discussion with CRO, Company and Counsel re: the same, etc.	5.0
S. Armes	10-Jun-25	Finalization to the variance analysis for bank reporting purposes; Tracking of receipts/vendor payments for the week ending June 6th, 2025; Discussion with D. West re: upcoming items including the setup of Caledon code, Caledon project projections, upcoming payments for the week, etc. correspondence with BMO and BDO team: restricted cash treasury account setup, etc.	4.5
C. Lonergan	10-Jun-25	Update correspondence re: Caledon with Aviva, Company and Company counsel re: next steps, PM interview, SISP update and VDR requirements and next steps; Discussion with BDO team, Sales Agent and Counsel re: the same; Aviva NDA for SISP; Aviva L&M request and review of documentation re: the same; SISP Tomlinson NDA discussion and correspondence with Company, Counsels and Sales Agent; Follow up discussion with BMO and Company re: outstanding monthly DIP reporting/AR invoicing; Follow up with Company and Aviva re: L&M claims paid to date, restricted cash treasury set up and discussion with BMO and BDO team re: the same; Set up of Caledon new account tracking in the Company's ERP and discussion with Company re: the same, etc.	3.8
S. Armes	11-Jun-25	Finalization and correspondence with stakeholders for the Week ended June 6th Variance Analysis; Finalization of communication for the Deferred equipment leases; Ongoing monitoring of the vendor disbursements by project and payroll tracking for the week ended June 6th, 2025; Meeting with BDO, the Company re: Halton project; Weekly cash flow review call with the CRO & the Company; Team regroup re: status update; Review of the CIM, details of normalization, review info provided by Sale agent; Correspondence with BDO team: Bank reporting, cash flow discussions, etc.	5.5



Staff	Date	Comments	Hours
C. Lonergan	11-Jun-25	Review of bank reporting cash flow discussions with BDO Team; Discussion with BDO team, Sales Agent and Counsel: Process letter; Reviewing draft of the CIM, details of normalization, etc. Correspondence with Company, CRO, Counsel re: daily updates	3.0
S. Armes	12-Jun-25	Discussion with D. West on bank accounts, interest calculation and receipts expected; Team Regroup meeting with counsel, the Company and CRO; Discussion with BMO on the week 3 variance analysis and the status of projects, etc.	4.0
C. Lonergan	12-Jun-25	Correspondence with the Company and BDO: interest expenses, month end reporting, Halton project updates. Correspondence and update call with BMO: variance analysis and project updates, etc.	3.6
S. Armes	13-Jun-25	Email correspondence with the company on a variety of items including peel vendor payments, BMO lease payments renewal, M&S/Halton Litigation matters.	3.0
T. Montesano	13-Jun-25	Prepare newspaper notice payment.	0.3
C. Lonergan	13-Jun-25	Lease update, litigation matter update and customer payments update with CRO, etc.	0.6
S. Armes	16-Jun-25	Correspondence with D. West for the week ending June 13th, 2025, receipts & disbursements, interest payments, litigation payment matters; Correspondence with C. Lonergan re: breakdown of professional fees; Correspondence with dealership for Company's vehicles status; Cash flow monitoring for the week ending June 13th disbursements on a project-by-project basis; Status update with the Company, CRO & the Monitor, etc.	4.5
C. Lonergan	16-Jun-25	Update discussions with Company re: Midhurst, Caledon; Update with CFO re: cash flow, DIP requirements, and invoice payments; Update on Caledon project billing; Update with the DIP Lender re: Caledon and Midhurst; BDC update re: CIM and other sale process items; DIP interest update and review of DIP term sheet re: the same; Update conversation with Counsel re: payment of DIP interest; Professional fee update and discussion with BDO team and Counsel re: the same; Litigation update, Invoicing update, etc.	4.5
C. Lonergan	17-Jun-25	Follow up on SISP and discussion with Sales Agent re: the same; Caledon and Midhurst projection updates, Aviva update on claims paid to date, cash flow variance analysis review, update call with Counsel re: next steps, follow up with BDO team re: Torkin Manes litigation, DIP term sheet and SISP order review, etc.	2.6
S. Armes	17-Jun-25	Communication with Company/Torkin Manes on the Company litigation for Halton payment; Communication with Peel for the confirmation of payment; Update with C. Lonergan re: DIP term sheet and other filing materials, etc.	1.6



Staff	Date	Comments	Hours
S. Armes	18-Jun-25	Completion of the variance analysis for the week ended June 13 th ; Discussion of variance analysis with D. West from EBC, C. Lonergan and H. Yin re: the same, etc.	2.0
C. Lonergan	18-Jun-25	Caledon update with Company and BDO team, follow up with Aviva and Peel re: the same, corporate credit card update with BMO, review of DIP variance analysis and discussion with BDO team re: the same, SISP update and collective bargaining discussion, follow up with Counsel and Sales agent re: the same, Torkin Manes litigation follow up, etc.	2.3
H. Yin	18-Jun-25	Review various correspondences received from Company, CRO, and counsel; Correspondence with sales agent and Counsel re: SISP timeline extension; Email to BMO re: approval of SISP timeline extension request; Email to Company re: same, etc.	1.5
S. Armes	19-Jun-25	Completion of payroll monitoring & disbursements monitoring for the week. Meeting with the Bank with regards to the week ending June 13 th cash variance template. Communication with D. West with regards to the standby fee.	3.0
C. Lonergan	19-Jun-25	SISP update and outstanding items with Sales Agent, SISP update with BMO, variance update and next steps with BMO re: DIP funding, etc.	1.1
S. Armes	20-Jun-25	Communication with D. West on the status of payments/disbursements as of the week ending, etc.	0.5
C. Lonergan	20-Jun-25	Review of update correspondence from Counsel and CRO, update on SISP with the Sales Agent, discussion with Bank re: next steps, including Polar and other potential options, etc.	1.2
S. Armes	23-Jun-25	Setup of variance analysis template for Week 5 ending; Discussion with D. West: Budget to actual items, receipts/disbursements that came in the following week; Discussion with BDO team, CRO & Company re: status update, etc.	3.0
C. Lonergan	23-Jun-25	Maintenance and cash flow issue discussion with BDO team and CRO; McNally and Aviva follow-up and review of Counsel correspondence re: the same; treasury function update and project accounting; update call with Sales Agent re: next steps and potential purchasers, etc.	2.3
S. Armes	24-Jun-25	Discussion with BDO: preventative maintenance summary. Completing week 5 draft variance reporting sent for review. In-depth review of Week 5 vendor payments, etc.	3.0
C. Lonergan	24-Jun-25	Update on maintenance issues and impact on cash flow, discussion with BDO team and Company re: the same, Aviva draft invoice preliminary review and discussion with BDO team re: the same, etc.	1.3
H. Yin	24-Jun-25	Correspondence with D. West re: DIP draw; Draft DIP advance letter re: same, etc.; Email to Company re: Aecon project holdback amount, vendor communication tracker, etc. Draft email to counsel re: same; Correspondence with creditors re:	6.2



Staff	Date	Comments	Hours
		SISP update; Discussions with S. Armes re: issue related to equipment maintenance and email update/comparison for C. Lonergan; Discussions with S. Armes re: variance reporting, review re: same; Review Aecon holdback communications tracker; Discussions with C. Lonergan and Counsel re: same; Review of Company invoice for Caledon project, discussions with Company and C. Lonergan re: same, etc.	
S. Armes	25-Jun-25	Meeting with BDO team re: finalization of variance reporting, DIP request, billing, etc.; Inquire with BMO re: credit memo inquiry, HST filing reporting; Circulated variance reporting to BMO, Aviva, & BDC; Weekly cash flow meeting with the Company, counsel, CRO & BDO, etc.	3.0
C. Lonergan	25-Jun-25	DIP cash flow variance review and discussion with BDO team re: the same, review of correspondence re: the same to BMO, Aviva and BDC, Aecon holdback analysis and update correspondence with Company and Counsel re: the same, review of UCI invoices, HST update, Aviva Caledon treasury functions, Vendor AP analysis and accruals and discussion with the Company and BDO team re: the same, SISP document review and requirements, discussion with Sales Agent re: the same, etc.	2.3
H. Yin	25-Jun-25	Meeting re: variance reporting with C. Lonergan and S. Armes, weekly Company/Counsel/CRO meeting, AP Vendor payment follow up with Company, etc.	2.0
C. Lonergan	26-Jun-25	SISP update with Counsel and Sales Agent, update of Caledon with BDO team, Company and Aviva, review of Caledon agreement and Company's first invoice, update discussion with BMO on DIP cash flow variance, SISP and next steps, review of previous P&L and follow up with Company re: cash flows and outstanding AP, review of UCI invoices, etc.	2.8
S. Armes	26-Jun-25	Communication with BMO re: variance report template, update to ongoing projects, DIP.	1.0
H. Yin	26-Jun-25	Review of Company/Aviva contact, etc.	0.5
S. Armes	27-Jun-25	Review of Caledon Invoice re: new contract.	0.5
C. Lonergan	27-Jun-25	Caledon update with Aviva and Company re: treasury and invoice items, update on SISP with sales agent, review of expressions of interest ("EOI"), review of EOI summary and weekly SISP update, update with Company counsel on phase 2 of the SISP, update call with BMO re: preliminary EOIs, discussion with BDO team re: the same, etc.	3.2
S. Armes	30-Jun-25	Week 6 (6-27-2025) Variance Report Template Update. Sales process check in meeting with the BDO, PWC & Bank.	1.0
C. Lonergan	30-Jun-25	SISP review of offers with PwC, update call with DIP lender and Counsel re: offers and next steps, update call with Counsel re: offers, LRO and phase 2 of SISP, etc.	1.7



Staff	Date	Comments	Hours
H. Yin	30-Jun-25	Detailed review of offers, SISP review of offers with Sales Agent and BMO, attend update call with BDO team and Counsel re: offers and next SISP phase, etc.	3.8



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

INVOICE

Earth Boring Co. Limited
1775 North Sheridan Way
Mississauga, ON L5K 1A2

Attention: Gene Woodbridge

Date

August 6, 2025

Invoice No.

CINV3556906

Re: Earth Boring Co. Limited - CCAA

FOR PROFESSIONAL SERVICES RENDERED in connection with our engagement in the above noted matter for the period July 1, 2025 to July 11, 2025, as per the details below.

Our Fee	\$ 20,090.00
Courtesy Discount	(2,500.00)
Sub Total	<u>17,590.00</u>
HST - 13%	<u>2,286.70</u>
TOTAL	<u>\$ 19,876.70</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	13.5	785.00	10,597.50
H. Yin, Manager	2.0	500.00	1,000.00
S. Armes, Sr. Analyst	21.5	395.00	8,492.50
Total	<u>37.0</u>		<u>\$ 20,090.00</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited

Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
S. Armes	3-Jul-25	Meeting with BDO and BDC re: SISP results and next steps. Completion of the Week 6 variance analysis, discussion with D. West re: multiple items within variance analysis. Meeting with C. Lonergan re: review of the variance analysis, send to Bank, Aviva, and BDC re: same; Review of Caledon invoice from the Company to supporting invoices.	4.5
C. Lonergan	3-Jul-25	Review of variance analysis and update with BDO team re: the same; Update call with BDC re: SISP results and next steps; Process letter update and review of correspondence re: the same, etc.	2.2
S. Armes	4-Jul-25	Correspondence with the Company re: June loan interest; Review of Caledon invoice.	1.0
C. Lonergan	4-Jul-25	Update discussions with Sales Agent re: Phase 2 and next steps; Review of US treasury functions; Update SISP meetings and correspondence re: the same; Aviva update re: billing, DIP interest; Update call and correspondence with Counsel re: form of sale agreement, etc.	2.4
C. Lonergan	5-Jul-25	Review of SISP update; Discussions with Sales Agent re: the same, etc.	1.0
C. Lonergan	7-Jul-25	SISP update review; Caledon billing follow up with BDO team; Treasury function, etc.	1.0
S. Armes	7-Jul-25	Weekly meeting with the Company and CRO; Correspondence with Management re: weekly variance analysis, payroll reports, etc.; Discussions with C. Lonergan re: Caledon billing.	2.0
S. Armes	8-Jul-25	Correspondence with the Company re: variance analysis inquiries; Review of multiple treasury items including project payroll, disbursements, etc.; Update meeting with CRO, Company, and BDO.	4.5
H. Yin	8-Jul-25	Multiple correspondences with vendors re: CCAA process and supply continuation; Correspondence with customer re: outstanding invoice and proposed pre-filing adjustments, etc.; Review of various correspondence received from counsel, Sales Agent, etc.; Update meeting with Company, CRO, and BDO.	2.0
C. Lonergan	8-Jul-25	Update meeting with Company, CRO, and BDO; Review of variance and other treasury items; Caledon update; USA Credit Card update, etc.	1.2
C. Lonergan	9-Jul-25	Update meeting with DIP lender re: treasury, U.S. project, use of proceeds and methodology for application from potential offers; Update call with Counsels re: SISP and required items, SPA, APA; Review of variance report update and discussion with BDO team re: the same; Update with Company on Caledon project disbursements and invoice; SISP update calls with potential purchasers, etc.	3.5



Staff	Date	Comments	Hours
S. Armes	9-Jul-25	Correspondence with the Company re: Caledon invoice and project disbursements. Review of Caledon Invoice; Correspondence with C. Lonergan re: variance analysis, incorporate feedback and send to BMO, Aviva, and BDC. Correspondence with the Company re: credit card balance, capital lease payments, etc.	4.0
C. Lonergan	10-Jul-25	Update call with BDO team, CRO and Company re: operational updates, cash flows, P&L, etc.; Review of pre-filing expenses, correspondence with the DIP lender, etc.	1.0
S. Armes	10-Jul-25	Correspondence with the Company re: Caledon invoice, next steps, tracking of invoices, etc.; Update call with BDO team, CRO and the Company.	2.0
S. Armes	11-Jul-25	Correspondence with the Company re: disbursements monitoring, review of the updated cash flow and P&L, etc. Discussion with C. Lonergan re: the same, other treasury items, project accounting, etc.	3.5
C. Lonergan	11-Jul-25	Aviva update; Review of SISP update, project accounting, and other treasury functions; Cash flow and P&L review and discussions with BDO team re: the same, etc.	1.2



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 Fax: 416 865 0904
 www.bdo.ca

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

INVOICE

Earth Boring Co. Limited
1775 North Sheridan Way
Mississauga, ON L5K 1A2

Attention: Gene Woodbridge

Date	Invoice No.
August 6, 2025	CINV3556919

Re: Earth Boring Co. Limited - CCAA

FOR PROFESSIONAL SERVICES RENDERED in connection with our engagement in the above noted matter for the period July 12, 2025 to July 18, 2025, as per the details below.

Our Fee	\$ 23,377.50
Courtesy Discount	<u>(2,500.00)</u>
Subtotal	20,877.50
HST - 13%	2,714.08
TOTAL	<u>\$ 23,591.58</u>

Summary of Time Charges:

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
C. Lonergan, Partner	11.3	785.00	8,870.50
M. Marchand, Partner	0.2	785.00	157.00
H. Yin, Manager	12.9	500.00	6,450.00
S. Armes, Sr. Analyst	20.0	395.00	7,900.00
Total	<u>44.4</u>		<u>\$ 23,377.50</u>

BANK WIRE TRANSFER/EFT PAYMENTS: Payment can be made online in Canadian funds. Please ensure you email your online payment confirmations including invoice #, amount paid and payment date) to EFTPayments@bdo.ca

The banking information for BDO Canada Limited is as follows for Canadian Funds

CIBC Main Branch
 Commerce Court
 199 Bay Street
 Toronto, ON M5L 1G9
 Account Name: BDO Canada Limited
 Bank: Canadian Imperial Bank of Commerce
 Bank Institution #: 010
 Transit #: 00002
 Account #: 91-26910
 Swift Reference #: CIBCCATT



Staff	Date	Comments	Hours
H. Yin	14-Jul-25	Multiple correspondences with the Company, Sales Agent, and C. Lonergan re: data room, SISP, project WIP update, etc.; Review of Company project WIP worksheet, revise and circulate to Sales Agent to upload to data room; Call with S. Armes re: project accounting, disbursements tracking, invoice review, P&L review, etc.; Call with C. Lonergan re: next steps, data room requirements, etc.; Call with C. Lonergan, Sales Agent, and Counsel re: sales process extension; Discussions with C. Lonergan on Rhode Island pre-filing critical payments.	5.5
S. Armes	14-Jul-25	Correspondence with the Company re: review of 13-week cash flow, project tracking, etc.; Correspondence with BDO team re: Caledon project, invoice reviews, disbursements tracking, next steps, P&L review, etc.; Update call with the Company, CRO and BDO; Start variance analysis for reporting.	4.5
C. Lonergan	14-Jul-25	SISP follow-up re: data room requirements, P&L, and SISP update discussion with BDO team and the Company; Multiple discussions with the Company, Sales Agent, and BDO team re: WIP workbook update and model requirements; Review of March WIP update; Caledon invoice follow up with BDO team; Review of Rhode Island pre-filing payments required to critical vendor and discussion with BDO team and CRO re: the same; Sales process extension discussions with BDO team, PwC and Counsel; Review of Aviva Counsel correspondence, etc.	4.2
C. Lonergan	15-Jul-25	Correspondence with BDO team re: SISP and required information from the Company; Follow-up correspondence and call with the Company re: the same, etc.; Update discussion with Counsel re: SISP and outstanding items; Projections update, variance update, Caledon project update, and SISP update call with BDO team; Pre-filing payment update; Review of correspondence with potential purchasers; P&L and cash flow update with Sales Agent; AP and payments follow up with the Company; APA and SPA review and review of legal correspondences re: the same; Employee liability update with Sales Agent and Counsel.	3.8
M. Marchand	15-Jul-25	Review email correspondence re: SISP and related matters, discussions with C. Lonergan re: same, etc.	0.2
S. Armes	15-Jul-25	Correspondence with the Company re: P&L, billings, variance analysis discussion, March WIP workbook, etc.; Prepare cash flow for DIP test, variance reporting for the week, project disbursements tracking, etc.; Discussions with C. Lonergan re: variance analysis, SISP updates, Caledon updates, etc.	7.0
S. Armes	16-Jul-25	Correspondence with the Company re: WIP analysis for data room, discussions with H. Yin re: same; Discussions with H. Yin re: variance analysis, incorporate feedback and send variance analysis to Aviva, BDC and the Bank; Correspondence with the Company re: monitoring of payroll reports and disbursements for the week; Preparation of cheque requisition form for Caledon payment; Update call with BDO, the Company, and CRO; Weekly cash flow review meeting with the Company & CRO.	5.5



Staff	Date	Comments	Hours
C. Lonergan	16-Jul-25	Review purchase price allocation and RVO; Review AVO items including bid sheet, employee costs, etc.; Update call with BDO team and Counsels re: the same, etc.; Update call with BDO team re: cash flow and pre-filing critical payments, etc.	2.2
H. Yin	16-Jul-25	Review of project WIP analysis for data room and discussions with S. Armes re: same, next steps, etc.; Review of variance analysis and provide feedback to S. Armes re: same, etc.; Discussion with C. Lonergan re: pre-filing critical payments, cash flow updates, AVO items, bid sheet updates, etc.	2.2
S. Armes	17-Jul-25	Review of weekly disbursements re: projects and discussions with H. Yin re: same; Regroup meeting with BDO, CRO, and the Company; Correspondence with the Company and H. Yin re: WIP worksheet for the data room.	3.0
H. Yin	17-Jul-25	Multiple discussions with S. Armes and the Company re: project WIP worksheet updates, make revisions re: same; Project disbursements discussion and review, call with S. Armes re: same; Call with Company, CRO, and S. Armes re: next steps.	2.2
C. Lonergan	18-Jul-25	SISP update review; DIP Lender follow up re: DIP request, follow up with the Company re: the same; Treasury function and updated P&L and cash flow discussion with BDO team, etc.	1.1
H. Yin	18-Jul-25	Review of the Company's 13-week updated P&L and corresponding cash flow, discussions with C. Lonergan re: same; Assist with DIP draw form preparation; Discussions with C. Lonergan re: treasury matters.	3.0

This is Exhibit “D” referred to in the Affidavit of Clark Lonergan affirmed by Clark Lonergan at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Heather Fisher

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A COMMISSIONER FOR TAKING OATHS

**Heather Fisher
(LSO#75006L)**

EXHIBIT "D"

BDO CANADA LIMITED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
EARTH BORING CO. LIMITED, YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS LTD., AND
YARFIELD SERVICES LIMITED

TIME SUMMARY FROM MAY 18, 2025 TO JULY 18, 2025

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Lonergan, Partner	124.10	\$ 785.00	\$97,418.50
Matthew Marchand, Partner	0.20	\$ 785.00	\$157.00
Heron Yin, Manager	119.60	\$ 500.00	\$59,800.00
Samantha Armes, Senior Analyst	118.10	\$ 395.00	\$46,649.50
Tony Montesano, Analyst	0.40	\$ 275.00	\$110.00
Subtotal	<u>362.40</u>		<u>\$204,135.00</u>
Courtesy Discount			<u>-\$20,000.00</u>
Total			<u>\$184,135.00</u>
 Average Hourly Amount			 <u><u>\$508.10</u></u>

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

Court File No. CV-25-00741419CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED ET AL.**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF CLARK LONERGAN
(SWORN AUGUST 12, 2025)

GOWLING WLG (CANADA) LLP

Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Clifton Prophet (LSO#34845K)

Tel: 416-862-3509
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Heather Fisher (LSO#75006L)

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heather.fisher@gowlingwlg.com

Lawyers for the Monitor

Court File No. CV-25-00741419-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED,
YARBRIDGE HOLDINGS INC., TROLAN INVESTMENTS LTD.,
AND YARFIELD SERVICES LIMITED (collectively, the "Applicants")

AFFIDAVIT OF HEATHER FISHER
(sworn August 12, 2025)

I, **HEATHER FISHER**, of the City of Toronto in the Province of Ontario, **MAKE**

OATH AND SAY:

1. I am an Associate with the law firm of Gowling WLG (Canada) LLP ("**Gowlings**"), lawyers for the Monitor, BDO Canada Limited, and as such, have personal knowledge of the following matters herein deposed, except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. Attached hereto as **Exhibit "A"** are true copies of Gowlings accounts rendered to the Monitor for services billed during the period May 17, 2025 to July 31, 2025.
3. Attached and marked as **Exhibit "B"** is a summary of the hours charged by Gowlings professionals from the period May 17, 2025 to July 31, 2025. Gowlings incurred a total of 157 hours at an average hourly rate of \$1,014.90.

4. During the relevant period, Gowling WLG expended approximately 157 hours for total fees of \$159,339.50 (excluding HST and disbursements), based on Gowlings standard billing rates in effect from time to time during the relevant period. The attached accounts reflect the time spent by Gowling WLG and Gowling WLG rates are typical for Toronto firms of Gowling WLG's size.

SWORN by Heather Fisher at the City of Toronto, in the Province of Ontario, virtually before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Signed by:
Haddon Murray
E61AE1FA3D384FF...

Commissioner for Taking Affidavits
(or as may be)

C. Haddon Murray
(LSO #61640P)

Signed by:
Heather Fisher
3F4D8C1DC17A4C8...

HEATHER FISHER

This is Exhibit "A" referred to in the Affidavit of Heather Fisher affirmed by Heather Fisher at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

Haddon Murray

F61AE1EA3D384FF

**A COMMISSIONER FOR TAKING OATHS
C. Haddon Murray
(LSO#61640P)**



August 12, 2025

Heather Fisher
 Direct +1 416 369 7202
 Direct Fax +1 416 862 7661
 heather.fisher@gowlingwlg.com

BDO Canada Limited

Re: Earth Boring Co. Limited

**TO ALL PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING THE FOLLOWING
 for the period ending July 31, 2025**

FEES

Date	Narrative	Hours	TK Name
20/05/2025	Review and comment on SISP;	1	Prophet, Cliff
20/05/2025	Meeting with C. Prophet and N. Carew re: Construction Act section 28 analysis and lien notices, correspondence with Monitor and N. Carew re: same, meeting with C. Lonergan and C. Prophet re: follow up;	4.9	Fisher, Heather
20/05/2025	Meeting with H. Fisher and C. Prophet re Construction Lien Report and C&M McNally account reconciliation; correspondence with BDO re construction projects governed by Lien Regularization Order;	0.8	Carew, Natasha
20/05/2025	Meet with client; discuss and consider SISP issues, dealing with holdback, and other matters;	1.5	Prophet, Cliff
20/05/2025	Review of lien claim matters;	1	Prophet, Cliff
20/05/2025	Communicating with counsel to applicants;	0.8	Prophet, Cliff
20/05/2025	Reviewing and providing comments on Aviva Agreement, call with EBCL and Monitor re: same;	2	Fisher, Heather
21/05/2025	Reviewing PWC Sales Advisor Engagement letter, reviewing and revising second report of the monitor, reviewing cash flow;	3	Fisher, Heather
21/05/2025	Further SISP comments; discussion re monitor's planned report;	1.4	Prophet, Cliff
21/05/2025	Further review of SISP;	0.6	Prophet, Cliff

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Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowlingwlg.com/legal.



Date	Narrative	Hours	TK Name
21/05/2025	Reviewing lien notices; correspondence from lien claimant counsel and correspondence from BDO; revising Construction Lien Report; correspondence with Monitor and Company re same; email to counsel to lien claimants re Lien Regularization Order;	2.3	Carew, Natasha
22/05/2025	Reviewing email from applicant's counsel;	0.3	Prophet, Cliff
22/05/2025	Reviewing EmPipe lien claim, correspondence with C. Lonergan re: same, correspondence with G. Schachter and N. Carew re: lien notice tracker;	0.4	Fisher, Heather
22/05/2025	Review and comment on company affidavit; e-mails from stakeholders and replying; review of cashflow; instructions to H. Fisher;	1.1	Prophet, Cliff
22/05/2025	Correspondence with Company re Construction Lien Report;	0.2	Carew, Natasha
23/05/2025	Prepare bill of costs; e-mail correspondence to H. Fisher enclosing same for review;	1.5	Oladosu, Emily
23/05/2025	Review of SISP order and TARIO;	0.5	Prophet, Cliff
23/05/2025	Reviewing and revising second report of the monitor, drafting fee affidavit, reviewing service list, providing instructions to D. Kannan re: revising service list;	2.2	Fisher, Heather
23/05/2025	Review of stakeholder communications;	0.3	Prophet, Cliff
23/05/2025	Revising service list;	2	Kannan, Darsshana
23/05/2025	Revised the Purchase and Sale Agreement to incorporate Monitor comments;	2	Kannan, Darsshana
26/05/2025	Communicating with counsel to BDC;	0.4	Prophet, Cliff
26/05/2025	Reviewing and revising second report of the monitor, reviewing fee affidavit and reviewing invoice exhibits, commissioning same, commissioning C. Lonergan fee affidavit, amending DIP Term Sheet, correspondence with A. Ho and C. Lonergan re: same, providing comments on TARIO, compiling appendices for second report;	12.2	Fisher, Heather
26/05/2025	Revise bill of costs;	0.1	Oladosu, Emily
26/05/2025	Further communications re SISP Order and TARIO; call with counsel to debtors;	1.2	Prophet, Cliff
26/05/2025	Review and correspond re form of SISP; e-mails from and to client; communicating with counsel to BDC;	2.5	Prophet, Cliff
27/05/2025	Multiple e-mails and calls with counsel to BDC; negotiations re SISP; calls with client to provide guidance re information sharing and SISP;	4.1	Prophet, Cliff



Date	Narrative	Hours	TK Name
27/05/2025	Reviewing and compiling Second Report, correspondence with C. Prophet and C. Lonergan re: BDC letter, correspondence with Company and C. Lonergan re: administration charge logistics;	4	Fisher, Heather
28/05/2025	Prepare for and attend on hearing of motion to approve SISP;	2.8	Prophet, Cliff
28/05/2025	Preparation for and attendance at SISP approval motion, comments to Company on TARIO and SISP Approval Order, correspondence with stakeholders re: service list;	3.2	Fisher, Heather
28/05/2025	Correspondence with stakeholders re: service list;	1	Kannan, Darsshana
29/05/2025	Receiving and reviewing correspondence from lien claimants; correspondence with H. Fisher re same;	0.3	Carew, Natasha
29/05/2025	E-mail from client;	0.3	Prophet, Cliff
29/05/2025	Reviewing lien notices, correspondence with C. Prophet and N. Carew re: section 39 requests and LRO;	0.4	Fisher, Heather
30/05/2025	Correspondence with E. Hush re: service list, reviewing lien notices;	0.5	Fisher, Heather
01/06/2025	Reviewing correspondence re: Aviva Agreement;	0.1	Fisher, Heather
02/06/2025	Review of e-mail re outstanding Aviva and SISP issues;	0.2	Prophet, Cliff
02/06/2025	Reviewing construction lien claim notices, bond claim notices, lien claim pleadings and correspondence from client claimants' counsel; correspondence with Monitor and H. Fisher re same; revising Construction Lien Report; email correspondence with counsel to lien claimants;	3.4	Carew, Natasha
02/06/2025	Call with C. Prophet and C. Lonergan re: Aviva Agreement and sale process logistics, updating monitor's lien notice report;	2.3	Fisher, Heather
02/06/2025	Call with client re outstanding Aviva and SISP issues;	0.9	Prophet, Cliff
03/06/2025	Revise service list;	0.5	Oladosu, Emily
03/06/2025	Reviewing lien notices re South Georgetown Wastewater Servicing Project; correspondence with Company re same;	0.5	Carew, Natasha
03/06/2025	Correspondence with Company counsel and C. Prophet re: sale process logistics;	0.6	Fisher, Heather
03/06/2025	Instructions to H. Fisher;	0.4	Prophet, Cliff
03/06/2025	Engaged on lien claim issues and e-mails re same; call with C. Fell;	1	Prophet, Cliff



Date	Narrative	Hours	TK Name
03/06/2025	Engaged on NDA changes; communicate with client and H. Fisher on SISP issues and re Aviva matters;	1.3	Prophet, Cliff
04/06/2025	E-mails re Michels claims and limited lift stay;	1.1	Prophet, Cliff
04/06/2025	Analysis re: lien bond analysis, correspondence with Company and C. Prophet re: lift stay consent requests;	2.1	Fisher, Heather
04/06/2025	Reviewing documents and correspondence re Metric and OBW requests for lift of stay; conducting legal research re same; providing assessment to H. Fisher and C. Prophet re same;	1.9	Carew, Natasha
05/06/2025	Call from H. Fisher;	0.1	Prophet, Cliff
05/06/2025	E-mail and communications re NDA; meet with W. Ennis of Tomlinson;	0.7	Prophet, Cliff
05/06/2025	Correspondence re: NDA for data room and update on Midhurst Heights cost to completion analysis;	0.6	Fisher, Heather
05/06/2025	Instructions to H. Fisher;	0.2	Prophet, Cliff
06/06/2025	Receiving and reviewing correspondence with company re lifting stay for Metric lien bond;	0.2	Carew, Natasha
06/06/2025	E-mails re Tomlinson NDA;	0.6	Prophet, Cliff
06/06/2025	Correspondence with J. Simpson re: litigation claims, meeting with C. Prophet re: lien bond claims procedure, correspondence with Monitor and counsel to Go Right re: release of EBCL vehicle;	1.1	Fisher, Heather
06/06/2025	Communicate with client by e-mail;	0.4	Prophet, Cliff
06/06/2025	Instructions to H. Fisher re lift stay and dealing with lien claimants;	0.6	Prophet, Cliff
09/06/2025	Address lien issues and instructions to H. Fisher;	0.6	Prophet, Cliff
09/06/2025	Correspondence re: lien claimants, reviewing Sales Agent's SISP update;	0.9	Fisher, Heather
10/06/2025	Multiple e-mails concerning Tomlinson NDA; Discussion re dealing with capital lessors (RBC and others);	0.8	Prophet, Cliff
10/06/2025	Reviewing and commenting on lift stay consent, reviewing APA language, considering lien claim perfection protocol;	1.3	Fisher, Heather
11/06/2025	Receiving and reviewing lien notices;	0.4	Carew, Natasha
12/06/2025	Correspondence with C. Lonergan and C. Prophet re: status updates, reviewing DIP term sheet re: cash flows;	1.2	Fisher, Heather
12/06/2025	Dealing with litigation by Torkin Manes;	0.4	Prophet, Cliff



Date	Narrative	Hours	TK Name
12/06/2025	Further communications on lien and litigation matters;	0.2	Prophet, Cliff
13/06/2025	Instructions concerning lien matters;	0.3	Prophet, Cliff
13/06/2025	Reviewing and considering correspondence re: lien claimants and litigation claims;	0.7	Fisher, Heather
14/06/2025	Reviewing and analyzing DIP Term Sheet re: C. Lonergan inquiry;	1.1	Fisher, Heather
16/06/2025	Instructions to H. Fisher;	0.2	Prophet, Cliff
16/06/2025	Reviewing sales process updates and data room logistics;	0.4	Fisher, Heather
17/06/2025	Review and comment on NDA;	0.4	Prophet, Cliff
17/06/2025	Correspondence with external counsel re: ongoing EBCL litigation claims;	0.2	Fisher, Heather
18/06/2025	Further communications re sale process;	1.1	Prophet, Cliff
18/06/2025	Correspondence re: SISP and prospective purchaser due diligence inquiries;	1	Fisher, Heather
19/06/2025	Reviewing lien notices; reviewing documents and correspondence re Pipe & Piling liens; confer with C. Prophet re same; email and telephone correspondence with Pipe & Piling's counsel re bonding and stay of lien actions; reviewing labour and material payment bonds; email and telephone correspondence with counsel to Decast re status of lien evaluation process;	1.8	Carew, Natasha
19/06/2025	Review of Aviva issues;	0.6	Prophet, Cliff
19/06/2025	Correspondence with C. Prophet re: sale process timetable and APA;	0.3	Fisher, Heather
19/06/2025	Advice re extension of bid deadline; review and comment on correspondence re same; further dealings with Tomlinson;	1.3	Prophet, Cliff
22/06/2025	Reviewing SISP updates;	0.2	Fisher, Heather
23/06/2025	Call with counsel to Aviva and counsel to company re information requests and implementation of Caledon agreement;	0.8	Prophet, Cliff
23/06/2025	Preparation for and attendance at meeting re: Aviva document inquiries;	0.7	Fisher, Heather
23/06/2025	Communicating with H. Fisher;	0.1	Prophet, Cliff
24/06/2025	Discussion re LRO issues; instructions on sale process issues;	0.8	Prophet, Cliff



Date	Narrative	Hours	TK Name
25/06/2025	Call with C. Prophet and N. Carew re: LRO claims process;	0.7	Fisher, Heather
25/06/2025	Reviewing correspondence re Aecon Project holdback claims; reviewing Construction Act; meeting with C. Prophet and F. Fisher re Aecon Project holdback claims and lien verification process;	1.2	Carew, Natasha
25/06/2025	Respond to inquiry re holdback from Exhibition Project; e-mail to construction specialist;	1.5	Prophet, Cliff
26/06/2025	Prepare required form of APS;	2.8	Prophet, Cliff
27/06/2025	Drafting APS form;	1.2	Prophet, Cliff
27/06/2025	Communicating re lien determination process;	1.4	Fisher, Heather
27/06/2025	Further work on APA; communicating re lien determination process;	1.5	Prophet, Cliff
28/06/2025	Revise template APS;	1	Prophet, Cliff
29/06/2025	Complete template APS and e-mail;	1	Prophet, Cliff
29/06/2025	Reviewing Phase I bids, revising draft APA;	1.6	Fisher, Heather
30/06/2025	Call with client re SISP results and next steps;	0.5	Prophet, Cliff
30/06/2025	Correspondence with Monitor re: Phase I bids, revising draft APS;	4.6	Fisher, Heather
02/07/2025	Revising draft APS and reviewing sale process requirements;	4.1	Fisher, Heather
03/07/2025	Finish template; respond to queries re Phase II of SISP;	1.7	Prophet, Cliff
03/07/2025	Meeting with C. Prophet and Monitor re: APS and other sale process logistics, reviewing and providing comments on Sales Advisor Process Letter and Bid Sheet;	2.7	Fisher, Heather
03/07/2025	E-mails re SISP;	0.3	Prophet, Cliff
04/07/2025	Correspondence with Company counsel re: draft APS, correspondence with A. Scane re: M&S coverage application status;	0.2	Fisher, Heather
06/07/2025	Reviewing Sales Advisor weekly update;	0.2	Fisher, Heather
07/07/2025	Brief instructions re SISP;	0.2	Prophet, Cliff
07/07/2025	Correspondence with C. Fell re: APS comments;	0.3	Fisher, Heather



Date	Narrative	Hours	TK Name
08/07/2025	Call with monitor and company counsel;	0.8	Prophet, Cliff
08/07/2025	Call with monitor and company counsel;	0.8	Fisher, Heather
08/07/2025	E-mail to client;	0.2	Prophet, Cliff
09/07/2025	Instructions to H. Fisher;	0.2	Prophet, Cliff
09/07/2025	Correspondence with C. Prophet and C. Lonergan re: sale transaction logistics, correspondence with C. Fell and PwC re: same;	0.8	Fisher, Heather
09/07/2025	Communicating re APS form and SISP;	0.3	Prophet, Cliff
10/07/2025	Correspondence with Company counsel re: sale process logistics;	0.2	Fisher, Heather
14/07/2025	Communicating re next steps in sale process and dealing with allocation issue;	0.5	Prophet, Cliff
14/07/2025	Considering and communicating re: next steps in sale process and dealing with allocation issue;	1.7	Fisher, Heather
14/07/2025	Revisions to Subscription Agreement;	0.6	Prophet, Cliff
15/07/2025	Reviewing and revising APS and Subscription Agreements, meeting with C. Prophet re: same, call with B. Allsopp of PwC, communications re allocation and modelling;	2.6	Fisher, Heather
15/07/2025	Further revisions to AVO and RVO template agreements; instructions to H. Fisher; communications re allocation and modelling; call with B. Allsopp of PwC;	2.8	Prophet, Cliff
16/07/2025	Call re further changes to templates and SISP issues;	0.6	Prophet, Cliff
16/07/2025	Correspondence with Company counsel and Monitor re: APS/SPA and revising same, correspondence with C. Fell;	1.5	Fisher, Heather
17/07/2025	Analysis re Georgetown Wastewater Main holdback release;	0.5	Prophet, Cliff
17/07/2025	Correspondence with Company and Monitor re: template APS / SPA;	0.5	Fisher, Heather
21/07/2025	Correspondence with Monitor and Company re: litigation claims;	0.3	Fisher, Heather
22/07/2025	Prepare for and attend EBCL meeting for status check on numerous matters;	1.5	Prophet, Cliff
22/07/2025	Prepare for and attend EBCL meeting for status check on numerous matters;	2.5	Fisher, Heather
22/07/2025	Call with S. Babe;	0.3	Prophet, Cliff



Date	Narrative	Hours	TK Name
23/07/2025	Update on discussions with Aviva;	1	Prophet, Cliff
23/07/2025	Call with Company re: sale process and court timelines, correspondence with Monitor re: sale process;	1.4	Fisher, Heather
23/07/2025	Instructions re court time;	0.3	Prophet, Cliff
24/07/2025	Correspondence with F. Blair Mackinnon and C. Prophet re: GoRight RSLA claim, reviewing case law re: same;	1.1	Fisher, Heather
25/07/2025	E-mail re monies received from Peel Region; further engagement on stay extension scheduling;	0.5	Prophet, Cliff
25/07/2025	Correspondence re: sale process extension, attending to sale process extension logistics;	0.7	Fisher, Heather
25/07/2025	Call with H. Fisher and revise communication on SISP extension;	0.5	Prophet, Cliff
29/07/2025	Call with H. Fisher;	0.2	Prophet, Cliff
30/07/2025	Correspondence with Monitor re: draft cash flow and motion timetable;	0.2	Fisher, Heather
31/07/2025	Instructions to H. Fisher re motion to extend stay;	0.5	Prophet, Cliff
31/07/2025	Call with Monitor re: cash flow and variance reporting;	0.8	Fisher, Heather
31/07/2025	Call with client re cashflows;	0.5	Prophet, Cliff

<u>Timekeeper</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Amount</u>
Clifton Prophet	58.4	\$1,390.00	\$81,176.00
Natasha Carew	13	\$940.00	\$12,220.00
Heather Fisher	78.5	\$800.00	\$62,800.00
Emily Oladosu – Law Clerk	2.1	\$485.00	\$1,018.50
Darsshana Kannan – Student at Law	5	\$425.00	\$2,125.00

Total Fees	\$159,339.50
HST (@13%) on Fees	\$20,714.14
Total Fees and HST	<u>\$180,053.64</u>

DISBURSEMENTS

Process Server	\$40.00
HST	\$5.20
Total Disbursements and HST	<u>\$45.20</u>

TOTAL NOW DUE	<u>\$180,098.84</u>
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Sincerely,

Gowling WLG (Canada) LLP

A handwritten signature in black ink that reads "Heather Fisher".

Heather Fisher
HF:eo

This is Exhibit "B" referred to in the Affidavit of Heather Fisher affirmed by Heather Fisher at the City of Toronto, in the Province of Ontario, before me on August 12, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Signed by:

Haddon Murray

A COMMISSIONER FOR TAKING OATHS

**C. Haddon Murray
(LSO#61640P)**

Summary of total professional fees by invoice for the period May 20, 2025 to July 31, 2025

Invoice	Date	Total Hours	Legal Fees	Disbursements	Taxes	Billed Amt	Average Hourly Rate
20514001	June 13, 2025	62.8	\$60,047.00	\$0.00	\$7,806.11	\$67,853.11	\$956.16
20530245	June 30, 2025	57.6	\$61,752.50	\$40.00	\$8,033.03	\$69,825.53	\$1,072.09
20549237	July 31, 2025	36.6	\$37,540.00	\$0.00	\$4,880.20	\$42,420.20	\$1,025.68
Total		157	\$159,339.50	\$40.00	\$20,719.34	\$180,098.84	\$1,014.90

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

Court File No. CV-25-00741419CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EARTH BORING CO. LIMITED ET AL.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF HEATHER FISHER
(SWORN AUGUST 12, 2025)**

GOWLING WLG (CANADA) LLP

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Lawyers for the Monitor