



District of British Columbia
Division No.: 03-Vancouver
Court No.: B - 240355
Estate No.: 11-3105465
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF LOOP ENERGY INC.

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE JUSTICE GIASCHI)
)
) 17/OCT/2024

THE APPLICATION of Loop Energy Inc. ("Loop Energy"), coming on for hearing at Vancouver, British Columbia on the 17th day of October, 2024, AND ON HEARING Jonathan L. Williams, counsel for Loop Energy, and no one else appearing; AND UPON READING the material filed AND PURSUANT TO the Bankruptcy and Insolvency Act, R.S.C. 1985 c. B-3 as amended (the "BIA") and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS THAT:

Service

1. The time for service of the Notice of Application and materials referred to herein be and is hereby abridged and the Notice of Application is properly returnable today.

Extension of Period or Filing Proposal

2. The time for filing a proposal with the Official Receiver under Part III of Division I of the Bankruptcy and Insolvency Act (the "BIA") be and is hereby extended to 11:59 p.m. on November 12, 2024.

Interim Financing Charge

3. Loop Energy is authorized and empowered to borrow under an interim financing facility agreement dated for reference October 8, 2024 (the "DIP Loan Agreement") between Loop Energy, as borrower, and Teralta Hydrogen Solutions Inc., as lender (in such capacity, the "DIP Lender"). Loop Energy is authorized and empowered to perform its obligations under the DIP Loan Agreement (subject to obtaining such Court and other approvals as may be required in connection with any step or transaction contemplated therein) and to obtain and borrow under the DIP Loan Agreement, provided that borrowing under such credit facility shall not exceed the principal amount of \$75,000.00 in addition to amounts previously authorized by the Court.
4. Loop Energy is authorized and empowered to execute and deliver such mortgages, charges, hypothecs and security documents and other definitive documents (such documents, together with all previous DIP loan documents authorized and approved of by the Court, as are contemplated by the DIP Loan Agreement or as may reasonably be required by the DIP Lender pursuant to the terms thereof, and Loop Energy is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provisions of this Order.
5. The DIP Lender shall be entitled to the benefit of and is granted a charge (the "Third DIP Charge") on all current and future assets, undertakings and properties of Loop Energy, of every nature and kind whatsoever, and wherever situated

including all proceeds thereof (collectively, the "Charged Property"), which Third DIP Charge shall not secure an obligation that exists before this Order is made. The Third DIP Charge shall attach to the Charged Property and shall secure all obligations under the Definitive Documents.

6. Notwithstanding any other provisions of this Order, the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Third DIP Charge or any of the Definitive Agreements.
7. All claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any proposal under the BIA filed by Loop Energy without the consent of the DIP Lender and the DIP Lender shall be treated as unaffected in any proposal filed by Loop Energy under the BIA with respect to any obligations outstanding to the DIP Lender under or in respect of the Definitive Documents.

Validity and Priority of Charges Created by this Order

8. The Administration Charge, the DIP Charge (as defined in the Order of Justice Latimer made herein on August 1, 2024), the Second DIP Charge (as defined in the Order of Justice Matthews made herein on September 25, 2024), and the Directors' Charge (together, the "Charges") each constitute a mortgage, security interest, assignment by way of security and charge on the Charged Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the "Encumbrances"), in favour of any person, notwithstanding the order of perfection or attachment.
9. The priorities as among the Charges shall be:
 - First - the Administration Charge, up to the maximum amount of \$200,000.00;
 - Second – the Third DIP Charge, up to a maximum amount of \$75,000.00;

Third – the Second DIP Charge, up to a maximum amount of \$25,000.00;

Fourth – the DIP Charge, up to a maximum amount of \$600,000.00; and

Fifth – the Directors' Charge up to a maximum amount of \$100,000.00.

10. Any security documentation evidencing, or the filing, registration or perfection of, the Charges shall not be required, and the Charges shall be effective as against the Charged. Property and shall be valid and enforceable for all purposes, Including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect such Charges.
11. The Charges and Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries of the Charges (the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA or any bankruptcy order made pursuant to such application(s); (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (each, an "Agreement") which binds Loop Energy, and notwithstanding any provision to the contrary in any Agreement:
 - a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or deemed to constitute a breach by Loop Energy of any Agreement to which it is a party;
 - b) none of the Chargees shall have any liability to any person entity whatsoever as a result of any breach of any Agreement caused by or

resulting from Loop Energy entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

- c) the payments made by Loop Energy pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
12. The Charges created by this order over leases of real property in Canada shall only be a charge of Loop Energy's interest in such real property leases.
 13. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Loop Energy and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Loop Energy or the Proposal Trustee, or their representatives, in carrying out the terms of this Order.
 14. Loop Energy and the Proposal Trustee are each at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order.

Endorsement

15. Endorsement of this Order by counsel appearing on this application, other than counsel for Loop Energy, is hereby dispensed with. *ed*

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

[Handwritten signature]

Signature of Jonathan L. Williams
 Party Lawyer for the applicant

[Handwritten signature]

BY THE COURT

[Handwritten signature]
REGISTRAR IN BANKRUPTCY



Schedule A – List of Counsel

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Attention: Jonathan L. Williams