

Province: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No. 11-3105465

**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.**

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**CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE**

**FIRST REPORT TO COURT**

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**July 29, 2024**

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I. INTRODUCTION

1. On July 17, 2024 (the "**Filing Date**"), Loop Energy Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and the Insolvency Act* R.S.C.1985, c. B-3 (the "**BIA**") and Crowe MacKay and Company Ltd. consented to act as Trustee under the Proposal (the "**Proposal Trustee**").
2. Pursuant to section 50.4(8) of the BIA, the initial stay period in the proposal proceedings is from July 17, 2024 to August 16, 2024 (the "**Stay Period**").
3. A copy of the Certificate of Filing of the NOI issued by the Office of the Superintendent of Bankruptcy is attached hereto as **Appendix "A"**.

II. PURPOSE OF REPORT

4. The purpose of this report by the Proposal Trustee (the "**First Report**") is to provide this Honourable Court and the Company's stakeholders with:
  - a. information regarding the Company's current operations and certain matters relating thereto;
  - b. the Company's cash flow projection for the 13-week period from July 9, 2024, to October 8, 2024; and,
  - c. information and the Proposal Trustee's recommendations with respect to the Company's applications to this Honourable Court for an Order authorizing and approving, among other things, the following:
    - i. extending the Initial Stay Period for an additional 45 days from August 16, 2024 to September 30, 2024;
    - ii. authorizing and empowering the Company to obtain and borrow under an interim financing facility (the "**Interim Facility**") from the Lender (as defined below) to finance the continuation of its business provided that, among other things, the borrowings under the Interim Facility shall not exceed \$600,000 unless permitted by further Order;
    - iii. granting in favour of the Interim Lender a priority charge (the "**Interim Lender's Charge**") over the assets of the Company to a maximum of \$600,000 which will rank in priority over all other encumbrances on the assets, properties and undertakings of the Company, other than the Administration Charge (defined below);
    - iv. granting an Administration Charge in the amount of \$200,000;
    - v. granting a Directors and Officers Charge in the amount of \$100,000; and,

- vi. the Proposal Trustee to conduct a sale and investment solicitation process (the "**SISP**").

### III. TERMS OF REFERENCE

5. In preparing this First Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company's books and records, and discussions with management of the Company, namely Mr. Paul Cataford, Mr. Ben Nyland, and Mr. Daryl Musselman ("**Management**") (collectively, the "**Information**").
6. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information used to prepare this First Report.
7. Certain of the information referred to in this First Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

### IV. COMPANY BACKGROUND AND OPERATIONS

8. Management has advised that the Company was incorporated in 2000 in British Columbia, changed its name to Loop Energy Inc. in 2015, and amalgamated with two other companies, Loop Energy (VCC) Inc. and Loop Energy (VCC) II Inc. on February 25, 2021. The Company became publicly listed on the Toronto Stock Exchange after the completion of an initial public offering ("**IPO**") on February 25, 2021. Loop Energy has two wholly owned subsidiaries: 1123640 B.C. Ltd. ("**640Co.**") and 1299502 B.C. Ltd. ("**502Co.**"), each of which was incorporated under the British Columbia Business Corporations Act. Loop Energy Technologies (Shanghai) Co., Ltd. ("**Loop Shanghai**") is a wholly owned subsidiary of 1299502 B.C. Ltd.
9. Management advised that the Company's head office is located in Burnaby, British Columbia, where it also carries on operations.
10. Management advised that the Company designs and manufactures hydrogen fuel stacks for commercial vehicles and stationary power applications. Protected by patents and proprietary knowledge, the company expanded production and operations to the United

Kingdom and Shanghai after its IPO. Over the past three years, Loop Energy has made international sales and completed multiple product trials.

11. Management advised that at its peak, Loop Energy employed over 150 people globally, with more than 100 based in British Columbia. Currently, the company has three employees, two of whom are officers.
12. The Company's directors are Mr. Paul Cataford, Mr. Ben Nyland, Mr. Kent Thexton, Mr. Andreas Truckenbrodt, and Mr. Christopher Clulow (collectively, the "**Directors**").
13. Management advised that within 18 months of completing its IPO, the Company began experiencing significant cash flow issues due to contractions in the capital, strategic partnership, and commercial markets. As a result of these aforesaid issues, it was unable to raise new funding. Under current market conditions, the Company could not secure new capital to cover losses or generate revenues exceeding operating expenses.
14. Management advised that over the past 24 months, the Company has engaged three consecutive financial advisors (National Bank Financial, Credit Suisse, and Raymond James) and contacted over 100 potential counterparties worldwide to seek either a merger partner, strategic investor, or operating funds. These efforts resulted in two term sheets from two separate investors and a Letter of Interest and subsequent announcement to amalgamate with H2 Portable Power Corp ("**H2P**") in February 2024. To provide sufficient liquidity to close with H2P, the Company had sold \$2M of inventory to H2P to generate sufficient capital.
15. Despite these efforts, all interested parties indicated that challenging market conditions for fuel cells, along with the Company's balance sheet, operating cash burn rate, and future investment requirements, exceeded their willingness or capacity to invest in or purchase the Company.
16. As a result, the Company has significantly scaled back operations. It has reduced staff, shut down manufacturing facilities in China, and terminated its factory lease. The Company still incurs office and storage rental fees in China under short-term agreements. Although it has not terminated its lease in the UK, it no longer uses the facility and is working with the landlord to sublet it.
17. In order to generate sufficient liquidity to proceed with the NOI, prior to the Filing Date the Company sold a testing station to a third-party local competitor for \$212,000. Management advised that as the Company had two of these testing stations, it was not considered a core-asset. Management advised the Proposal Trustee that the transaction took place at fair market value and nothing has come to the attention of the Proposal Trustee to indicate otherwise. Management estimates the fair market value of the testing station was around \$200,000. The Proposal Trustee has not otherwise conducted an independent review of this pre-filing transaction.

18. Management believes that by combining the Company's products and manufacturing capabilities with an end-product manufacturer/developer or a hydrogen fuel producer/provider that there is potential to create a sustainable operating company with sufficient margins. The Company is hoping to attract a strategic partner with the financial resources necessary for sustainable operations.

V. **ASSETS AND LIABILITIES OF THE COMPANY**

19. The Proposal Trustee has not been able to conduct a detailed assessment of the Company's assets and liabilities at the date of this First Report. The below Information was prepared based on preliminary Information received from Management and is subject to change. A more detailed assessment will be conducted by the Proposal Trustee over the course of its administration.

**ASSETS**

20. Below is a summary of the Company's assets based on the trial balance as at May 31, 2024:

<b>Nature of Property</b>	<b>Net Book Value (\$)</b>
Cash	\$495,221
Short-Term Investments	40,250
Trade Accounts Receivable	1,374,011
Inventory	2,242,990
Prepaid Expenses	522,138
Investments in Subsidiaries	Nil
Fixed Assets	9,468,013
Right-of-Use Asset	1,465,885
Software	30,274
Intercompany Receivable	9,050,055
Intellectual Property	Unknown
<b>Total</b>	<b>\$24,688,837</b>

Cash

21. Management advised that it had cash of in or around \$495,221 as at May 31, 2024. As at the Filing Date, Management advised that the Company had a cash balance in the amount of in or around \$88,241.

### Short-Term Investments

Management advised that it held a guaranteed investment certificate ("**GIC**") with the Bank of Montreal ("**BMO**") in the amount of in or around \$40,250 on May 31, 2024. The GIC was held as security by BMO for the Company's credit cards. Management advised the credit cards had been cancelled prior to the Filing Date, the GIC's have been redeemed to the Company's cash account and the Company is currently awaiting BMO to discharge its security.

### Trade Accounts Receivable

22. Management reported trade accounts receivables totalling \$1,374,011 as of May 31, 2024. However, most of these receivables are over two years old and are deemed uncollectible due to the customers' financial difficulties. In a best-case scenario, Management estimates the Company might collect only \$40,000 to \$50,000 from these receivables.

### Inventory

23. Management advised that the Company has inventory with a book cost totalling \$2,242,990 as of May 31, 2024, which is almost entirely comprised of raw material related to its operations in the manufacturing of hydrogen fuel stacks. Management advised that it does not have sufficient resources to build or test modules that would result in finished goods that could be sold. Management advises that the raw goods materials will not deteriorate in the next 3 – 6 months. Due to the highly specialised nature of the manufacturing equipment and the raw good materials, Management does not believe the inventory has any significant realizable value.

### Prepaid Expenses

24. Management advised that the Company has prepaid expenses totalling \$522,138 as of May 31, 2024 which is comprised primarily of prepaid insurance premiums, prepaid legal expenses, deposits held by the Company's landlords, and prepayments for the purchase of inventory. Management has advised that it does not anticipate any of the prepaid expenses would be recoverable in the event of a bankruptcy.

### Investment in Subsidiaries

25. As discussed above, the Company has two wholly owned subsidiaries, 640Co. and 502Co. Management does not believe these subsidiaries have any value.
26. Loop Shanghai is a wholly owned subsidiary of 502Co. Management does not believe it has any value.

27. The Proposal Trustee has not had the opportunity to review any information with respect to the investments in the above subsidiaries and the potential value in same as of the date of this First Report.

Fixed Assets

28. Management has advised that the Company has the following fixed assets as of May 31, 2024:

<b>Nature of Property</b>	<b>Net Book Value (\$)</b>
Leasehold Improvements	\$2,322,001
Equipment	7,140,451
Computer Hardware	5,561
	<b>\$9,468,013</b>

29. Management has advised that its fixed assets are comprised of testing and logistics equipment, office furniture, as well as leasehold improvements.

Right-of-Use Asset

30. Management advised that the Company has a right of use asset in accordance with International Financial Reporting Standards ("IFRS") in the amount of \$1,465,885. This balance is comprised of an accounting entry relating to the leased premises located in Burnaby, BC pursuant to IFRS standard 16. Management has advised that the Company does not expect to realize any value from the right of use asset.

Software

31. Management advised that the Company owns software with a book value totalling \$30,274.

Intercompany Receivables

32. Management advised that the Company has the following intercompany receivables as of May 31, 2024:

Loop Energy Technologies (Shanghai) Co.	\$55.00
1299502 B.C. Ltd.	9,050,055

As discussed above, Management does not believe that these companies have any realizable value. Consequently, Management advised that the intercompany receivables are not expected to be collectible.



Intellectual Property

33. Management advised that the Company has 21 granted patents that are still active, and 15 registered trademarks. The cost to maintain the patents is expected to be modest and has been considered in the 13-Week Cash Flow as a contingency.
34. Management does not believe the patents have any significant realizable value without , amongst other things, the knowledge, know-how, software, assembly and testing instructions and processes, and specific plant configuration.

**LIABILITIES**

Secured Creditors and Statutory Liabilities

35. Based on a *Personal Property Registry* (“PPR”) search and information provided by Management, the Company is indebted, on a secured basis, to the Bank of Montreal (“BMO”) related to credit cards. As discussed above, Management advises that there are no amounts owing and that BMO is in the process of discharging its security from the PPR.
36. Attached hereto as **Appendix “B”** is a copy of the PPR search for the Company as at July 2, 2024.
37. Based on available records and discussions with Management, the Company is not indebted to the Canada Revenue Agency (the “CRA”) for unpaid employee source deductions. That said, this is subject to a trust examination by CRA. In the event of a proposal, the Company will need to pay the amounts due for source deductions in full within six-months of Court approval of the proposal. In the event of a bankruptcy, only the employee portion of the CRA’s claim ranks as a deemed trust claim ahead of all other creditors including the Secured Creditors.
38. The Proposal Trustee is not aware of any other parties who may hold a secured or deemed trust claim against the Company.

Preferred Creditors

39. As at the Filing Date, Management advised that the Company may be indebted to about 4 employees for unpaid wages and vacation pay totaling \$27,000.
40. Employees could be entitled to a preferred claim for wages and vacation due within 6-months of the Filing Date pursuant to subsection 136(d) of the BIA to a maximum of \$2,000 per employee. The extent of the amounts due to the employees has yet to be determined.
41. Management advised that is was indebted to its landlords in the amount of in or around \$320k. The landlord could be entitled to a preferred claim for rental arrears within 3-months of the Filing Date pursuant to subsection 136(f) of the BIA. The extent of the landlord’s potential preferred claim, if any at all, has yet to be determined.

42. Besides the potential preferred claims set out above, at this time the Proposal Trustee is not aware of any other parties who may hold a preferred claim pursuant to Section 136 of the BIA.

Unsecured Creditors

43. As at the Filing Date, the Company was indebted to in or around 72 parties with unsecured claims totaling approximately \$13,088,004. These parties consist primarily of unsecured loans, trade suppliers, employees and various other vendors.

VI. **ACTIVITIES OF THE COMPANY**

44. Since the Filing Date, the Company's Management have engaged in, among other things, the following activities:
- a. attended meetings with the Proposal Trustee to discuss the affairs of the Company, as well as the options available;
  - b. prepared and filed a projected cashflow statement for the 13-week period from July 9, 2024 to October 8, 2024 which, along with assumptions on or around July 24, 2024;
  - c. engaged with various parties to seek to obtain interim financing to ensure sufficient liquidity during these proceedings; and,
  - d. took steps to initiate a SISP, as defined and set out below.

VII. **ACTIVITIES OF THE PROPOSAL TRUSTEE**

45. Since the Filing Date, the Proposal Trustee has engaged in, among other things, the following activities:
- a. attended meetings with Management to discuss the affairs of the Company, as well as the options available;
  - b. mailed out the initial notice to all known creditors and employees with claims of greater than \$250 on or about July 18, 2024 notifying them of the NOI proceedings pursuant to section 50.4(6) of the BIA, a copy of which is hereto attached as **Appendix "C"**;
  - c. assisted Management in preparing a projected cashflow statement for the 13-week period from July 9, 2024 to October 8, 2024 which, along with assumptions, was filed with the Office of Superintendent of Bankruptcy on July 24, 2024 in accordance with section 50.4(2) of the BIA;

- d. had various discussion with the Company and its legal counsel relating to matters relevant to Interim Facility, the Administration Charge (defined below) and the SISP (also defined below);
- e. established and maintained a public website for these proceedings at: <https://crowemackayco.ca/project/loop-energy-inc/>; and,
- f. prepared this First Report.

VIII. **13-WEEK CASH FLOW PROJECTION TO OCTOBER 8, 2024**

- 46. The Company, with assistance of the Proposal Trustee, has prepared a 13-week cash flow for the period July 9, 2024 to October 8, 2024. A copy of the cash flow, along with the assumptions, is attached as **Appendix "D"** (the "**13-Week Cash Flow**").
- 47. The Proposal Trustee's review of the 13-Week Cash Flow consisted of inquiries, analytical procedures and discussions related to information supplied to the Proposal Trustee by Management. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the 13-Week Cash Flow. The Proposal Trustee has also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the 13-Week Cash Flow.
- 48. Based on the Proposal Trustee's review, nothing has come to its attention that causes it to believe that, in all material respects:
  - a. the probable and hypothetical assumptions are not consistent with the purpose of the 13-Week Cash Flow;
  - b. as at the date of this First Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the Company's plans or do not provide a reasonable basis for the 13-Week Cash Flow, given the probable and hypothetical assumptions; or,
  - c. the 13-Week Cash Flow does not reflect the probable and hypothetical assumptions.
- 49. Based on the assumptions above, it is believed that the Company will have sufficient funds to operate during the Initial Stay Period if the Interim Facility is approved by this Honourable Court.

IX. **COURT ORDERED CHARGES**

- 50. The Company is seeking Court approval of a number of secured, court-ordered priority charges, to rank as follows:

1. The Administrative Charge;
2. The Interim Lender's Charge; and,
3. The Directors and Officers Charge.

(collectively, the "**Charges**").

51. The Company is requesting that this Court issue an order stating that the Charges are to rank ahead of all security, interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise.

#### Administration Charge

52. The Company is seeking an administration charge over its property up to a maximum of \$200,000 to secure payment of the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and counsel for the Company (the "**Administration Charge**").
53. The Administration Charge is against all present and after-acquired assets, property and undertakings of the Company and shall rank in priority to all security interests, trusts, liens, charges, encumbrances, and other claims of secured creditors, statutory or otherwise, including all other court-ordered charges.
54. The Proposal Trustee has worked with the Company, its counsel and other professionals to determine the appropriate amount of the Administrative Charge. It is reflective of the limited funds currently available to the Company and the fact that if the proposal proceedings are unsuccessful, the Proposal Trustee will have a significant amount of work to do, including transitioning the proceedings to a bankruptcy.
55. Presently, the Proposal Trustee holds a retainer \$100,000 to protect its fees and costs including the Proposal Trustee's legal counsel. The Company's legal counsel holds a retainer of \$15,000.
56. Given the tight liquidity constraints that the Company has been operating under, there is a heightened risk to the timely funding of the professional fees relating to these proceedings. These proceedings require the necessary involvement of professionals to guide and/or complete a successful proposal and, as such, it is the Proposal Trustee's respectful view that the Administration Charge is reasonable and appropriate to ensure the continued support of the respective professionals in the Company's efforts to restructure.

#### Debtor-in-Possession Financing

57. As contemplated by the cash flow forecast, in order to finance ongoing operations and to meet obligations as they generally become due, the Company requires interim financing. The 13-Week Cash Flow sets out that the Company would require approximately \$600,000 in additional financing.

58. Approximately \$400,000 is intended to be advanced in or around the week ending July 30, 2024. Further, an additional approximate balance of \$200,000 is intended to be advanced in or around the week ending September 3, 2024. The Proposal Trustee understands that these funds are expected to be advanced by Teralta Hydrogen Solutions Inc. ("**Teralta**" or the "**Lender**").
59. A Debtor-in-Possession facility term sheet (the "**DIP Term Sheet**") was executed by the Company and the Lender on or around July 17, 2024. The DIP Term Sheet major terms are set out as follows:
- a. Only after receiving Court approval, Teralta will advance up to \$600,000 in two tranches: the first tranche of \$400,000 drawn at the request of the Company; and, if requested by the Company a second tranche available after September 1, 2024 with the proceed to be used for working capital;
  - b. the Interim Lenders will be granted a super priority charge over the assets of the Company, ranking behind only the Administration Charge;
  - c. the Interim Facility will bear interest at the rate of 11% per annum, calculated monthly and in arrears on any amounts disbursed to the Company;
  - d. the Interim Facility will mature at the earlier of October 8, 2024 or a default event;
  - e. a closing fee of 10% of all drawn amounts it to be paid by the Company to the Lender on the respective draw down date; and,
  - f. expenses relating to the Interim Facility will be paid by the Company.

A copy of the DIP Term Sheet is attached hereto as **Appendix "E"**.

60. Based on the proposed terms of the Interim Facility as set out above, the Proposal Trustee is of the respectful view that proposed terms are reasonable, and that the Interim Facility would ultimately enhance the prospects of a viable proposal being made to the Company's creditors. Further, the Proposal Trustee is of the opinion that the Company will not be in a position to meet its post-filing obligations in the ordinary course nor file a Proposal should it not receive the Interim Facility. Should the Company not receive the Interim Facility, the Proposal Trustee is of the opinion that this would likely result in the Company's bankruptcy, and it is unclear what recoveries (if any) will be forthcoming to the stakeholders in the event of a bankruptcy.
61. In arriving at the above opinion, the Proposal Trustee considered the factors as set out in subsection 50.6(5) of the BIA, which are as follows:
- a. the period during which the debtor is expected to be subject to proceedings under the BIA;

- b. how the debtor's business and financial affairs are to be managed during these proceedings;
  - c. whether the debtor's management has the confidence of its major creditors;
  - d. whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;
  - e. the nature and value of the debtor's property; and,
  - f. whether any creditor would be materially prejudiced as a result of the security of charge.
62. When considering the factors set out in subsection 50.6(5) of the BIA listed above, the Proposal Trustee is of the opinion that based on preliminary information received with respect to the specialized nature, limited market and therefore questionable realizable value of the Company's assets, it is the Proposal Trustee's respectful view that the Interim Financing will result in a potentially viable proposal, and therefore a greater likelihood of an improved outcome for the unsecured creditors and other stakeholders.
63. As described in the 13-Week Cash Flow, the Company has critical and immediate need for interim financing. Accordingly, the Proposal Trustee is of the view that the Company's request for approval of the Interim Lender's Charge is required and reasonable in the circumstances. The Proposal Trustee is also of the view that the proposed terms described above are fair and reasonable, and are consistent with interim financings approved in other similar BIA or *Companies' Creditors' Arrangement Act* proceedings.

#### Directors and Officers Charge

64. The Company is seeking approval of a directors and officers charge (the "**D&O Charge**") as security to indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
65. The D&O Charge will form a charge over all assets, rights, undertakings and properties of the Company up to a maximum of \$100,000. It is proposed that the D&O Charge rank behind both the Administration Charge and the Interim Lender's Charge.
66. Management advised that the Company's current directors and officers insurance policy is set to expire on August 31, 2024 and that while the Company intends to request for an extension, there is no assurance that the extension request will be granted.

67. The Company has the ability to purchase a "tail" policy under their existing policy however Management advised the premium is set contractually at 225% of the existing annual premium or \$483,750 which the Company cannot afford.
68. The Proposal Trustee understands that absent the D&O Charge, at least one of the Directors has advised that they would resign unless the D&O Charge is granted. The Proposal Trustee further understands that the D&O charge will only be effective to the extent that the Company loses its coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified.
69. The Proposal Trustee supports the Directors' Charge pursuant to section 64.1(1) of the BIA on the basis that the creation of the Directors' Charge is reasonable in these circumstances, and the continued participation of the Directors and officers is crucial to continued operations of the business and the filing of a viable proposal to the creditors.

X. **PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS**

70. The Proposal Trustee, in consultation with the Company and its counsel have developed the SISP Bid Package (as defined below) with a view to soliciting a potential investment or acquisition proposal in respect of the business or the assets of the Company.
71. The purpose of the SISP is to identify one or more purchasers for the Company's business and/or assets. In order to provide third parties with an opportunity to bid on the Company's assets, the Company has proposed that it market its assets to third parties for a period of approximately 28 days. A copy of the proposed procedures governing the SISP (the "**SISP Procedures**") are attached hereto as **Appendix "F"**.
72. The key aspects of the proposed SISP are as follows (capitalized terms as defined therein):
  - a. as soon as possible after the granting by this Honourable Court of the approval of the SISP, the Company will compile a list of potential bidders (the "**Known Potential Bidders**"), and will distribute to the Known Potential Bidders the Teaser Letter;
  - b. any bidder who executes the Confidentiality Agreement, and in the opinion of the Company, and in consultation with the Proposal Trustee, has the financial capabilities and technical expertise to make a bid shall be deemed as a potential bidder (each such person so deemed, a "**Potential Bidder**");
  - c. any Potential Bidders seeking further information will be required to execute a confidentiality agreement (the "**Confidentiality Agreement**"), upon which they will be provided with a SISP bid package (the "**SISP Bid Package**");

- d. upon receiving the SISP Bid Package, the Known Bidder will also be provided with access to the electronic data room (the "**Data Room**"). Included in the Data Room will be information pertaining to the Company's business affairs and assets, along with an Asset Purchase Agreement ("**APA**") and Share Purchase Agreement ("**SPA**");
  - e. Potential Bidders will have until September 6, 2024 (the "**Bid Deadline**") to submit a non-binding letter of intent (a "**LOI**");
  - f. a LOI must include the following, among other items:
    - i. a completed copy of the APA or SPA, that includes the purchase price;
    - ii. a blackline comparison to the APA or SPA as included in the Data Room for any changes;
    - iii. written evidence of a firm, irrevocable commitment for all the required funding and/or financing to consummate the proposed transaction;
    - iv. a deposit in the amount of at least 10% of the purchase price, by way of bank draft; and,
    - v. a statement from the Potential Bidder that the Bid is not subject to any conditions other than approval by the Court.
  - g. the Bid is irrevocable until the earlier of the approval by the Court, and the 45 days following the Bid Deadline;
  - h. the best Bid (the "**Winning Bid**") will be determined by the Company, in consultation with the Proposal Trustee;
  - i. in the event there are no Qualifying Bids, no Winning Bid, or that a transaction does not close for whatever reason, the SISP shall terminate; and,
  - j. the Company shall apply for an order from the Court approving the Winning Bid.
73. The key dates and timeline of the proposed SISP are outlined in the table below:

<b>Event</b>	<b>Date</b>
The Company's Application to the Court for Approval of the SISP	August 2, 2024



Event	Date
Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letter and Confidentiality Agreements to Known Potential Bidders	As soon as practical and no later than August 9, 2024
Proposal Trustee to prepare and have available for Potential Bidders the Data Room	As soon as practical and no later than August 12, 2024
Bid Deadline	September 6, 2024
The Company's Application to the Court for Approval Order(s)	As soon as reasonably practical after accepting the Winning Bid(s) and entering into the Bid Agreement(s)
Closing of the Transaction	Within ten (10) days of the Approval Order becoming the Final Order, subject to any extensions approved by the Proposal Trustee

74. Given the Company's previous extensive sale / financing efforts, it is the Proposal Trustee's view that the SISP is fair and reasonable and the proposed timeframe can be achieved. Accordingly, the Proposal Trustee recommends that this Honourable Court grant an Order approving the proposed SISP of the business of the Company and/or its principal assets.

XI. **COMPANY'S REQUEST FOR AN EXTENSION TO STAY OF PROCEEDINGS**

75. For the purposes of conducting the SISP as outline above, the Company is seeking a 45-day extension (the "**Extension**") to the Initial Stay of Proceedings. This would extend the Initial Stay of Proceedings from August 16, 2024 to September 30, 2024.

76. The Proposal Trustee supports the Company's request for the Extension of the Initial Stay Period for the following reasons:

- a. the Company has acted in good faith and with due diligence;
- b. the Company requires additional time to run the aforementioned SISP, which would enhance the viability of proposal to the Company's creditors; and,

- c. no creditor would be materially prejudiced if the extension is granted.

**XII. PROPOSAL TRUSTEE'S RECOMMENDATIONS**

77. Based on the current information made available by Management, the Proposal Trustee has the following comments in respect to the Company's application for approval of the following:

- a. the Administration Charge for the involvement of professionals is necessary to ensure the continued support and guidance to the Company in its pursuit of a successful proposal;
- b. the terms of the Interim Lender's Charge are reasonable given the circumstances, and interim financing is necessary for the Company to remain liquid and continue operations;
- c. the Interim Financing will assist the Company in funding operations, and accordingly provide the Company with a greater likelihood of filing a viable proposal. This could result in a greater recovery to the general body of the unsecured creditors as opposed to an immediate bankruptcy particularly if the realizations of the assets referred to above under a forced liquidation are nominal (if any);
- d. the D&O Charge is reasonable to garner the continued support of the Directors with the day to day management of the Company throughout the NOI proceedings;
- e. the proposed SISF is commercially reasonable in the circumstances, and will provide the Company with an opportunity to close a transaction which could ultimately benefit stakeholders; and,
- f. the Extension is necessary for the timelines of the proposed SISF.

78. For the above reasons, the Proposal Trustee respectfully recommends that this Honourable Court grant an Order for the relief sought by the Company.

DATED AT the City of Vancouver, in the Province of British Columbia, this 29<sup>th</sup> day of July 2024.

**Crowe MacKay & Company Ltd.**

in its capacity as Licensed Insolvency Trustee of the Proposal of  
Loop Energy Inc. and not in its personal capacity

Per:



Mr. Jonathan McNair, CPA, CA, CIRP, LIT  
(Chartered Insolvency & Restructuring Professional)



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of British Columbia  
Division No. 03 - Vancouver  
Court No. 11-3105465  
Estate No. 11-3105465

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

**Loop Energy Inc.**

Insolvent Person

**CROWE MACKAY & COMPANY LTD**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

July 17, 2024

---

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

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

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

Date: July 18, 2024, 12:31

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

**Canada**

# PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

## Business Debtor - "LOOP ENERGY INC."

**Search Date and Time:** July 2, 2024 at 11:05:00 am Pacific time  
**Account Name:** CROWE MACKAY & COMPANY LTD.  
**Folio Number:** LOOP ENERGY

### TABLE OF CONTENTS

3 Matches in 3 Registrations in Report

Exact Matches: 3 (\*)

Total Search Report Pages: 7

	Base Registration	Base Registration Date	Debtor Name	Page
1	<a href="#">015535N</a>	June 3, 2021	* LOOP ENERGY INC.	<a href="#">2</a>
2	<a href="#">419769P</a>	March 17, 2023	* LOOP ENERGY INC.	<a href="#">4</a>
3	<a href="#">486865P</a>	April 21, 2023	* LOOP ENERGY INC.	<a href="#">6</a>

## Base Registration Number: 015535N

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	June 3, 2021 at 9:16:18 am Pacific time
<b>Current Expiry Date and Time:</b>	June 3, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of July 2, 2024 at 11:05:00 am Pacific time)

### Secured Party Information

**BANK OF MONTREAL/BANQUE DE MONTREAL**

**Address**

250 YONGE STREET, 9TH FLOOR  
TORONTO ON  
M5B 2L7 Canada

### Debtor Information

**LOOP ENERGY INC.**

**Address**

2880 PRODUCTION WAY  
BURNABY BC  
V5A 4T6 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

LF269 PLEDGE OF INSTRUMENT, ASSIGNMENT OF PROCEEDS INSTRUMENT DESCRIBED AS VARIABLE RATE GUARANTEED INVESTMENT CERTIFICATE ACCOUNT 0004-9639-278 IN AMOUNT 25,000.00 INCLUDING ALL RENEWALS AND REPLACEMENTS THEREOF, SUBSTITUTIONS THEREFOR ACCRETIONS THERETO AND INTEREST, INCOME AND MONEY THEREFROM AND ALL PROCEEDS THEREOF AND THEREFROM INCLUDING ACCOUNTS.

---

## Original Registering Party

**BANK OF MONTREAL/BANQUE DE  
MONTREAL**

### Address

250 YONGE STREET, 9TH FLOOR  
TORONTO ON  
M5B 2L7 Canada



## Base Registration Number: 419769P

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	March 17, 2023 at 3:10:27 pm Pacific time
<b>Current Expiry Date and Time:</b>	March 17, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of July 2, 2024 at 11:05:00 am Pacific time)

### Secured Party Information

**BANK OF MONTREAL/BANQUE DE MONTREAL**

**Address**

250 YONGE STREET, 9TH FLOOR  
TORONTO ON  
M5B 2L7 Canada

### Debtor Information

**LOOP ENERGY INC.**

**Address**

2880 PRODUCTION WAY  
BURNABY BC  
V5A 4T6 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

LF269 Pledge of instrument, assignment of proceeds instrument described as Variable Rate Guaranteed Investment Certificate acct no. 0004 9598517 in amount of \$69,000.00 including all renewals and replacements thereof, substitutions therefor accretions thereto and interest, income and money therefrom and all proceeds thereof and therefrom including accounts.

---

## Original Registering Party

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada





## Base Registration Number: 486865P

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	April 21, 2023 at 6:11:23 am Pacific time
<b>Current Expiry Date and Time:</b>	April 21, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of July 2, 2024 at 11:05:00 am Pacific time)

### Secured Party Information

**BANK OF MONTREAL/BANQUE DE  
MONTREAL**

**Address**

250 YONGE STREET, 9TH FLOOR  
TORONTO ON  
M5B 2L7 Canada

### Debtor Information

**LOOP ENERGY INC.**

**Address**

2880 PRODUCTION WAY  
BURNABY BC  
V5A 4T6 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

LF269 Pledge of instrument, assignment of proceeds instrument described as Guaranteed Investment Certificate No. 0004-9598-517 in the amount of \$69,000.00 CAD including all renewals and replacements thereof, substitutions therefor accretions thereto and interest, income and money therefrom and all proceeds thereof and therefrom including accounts.

---

## Original Registering Party

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada





**- Creditor Mailing List -**

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

This is Exhibit A referred to in the  
affidavit of Josephine Fong  
sworn before me at Vancouver  
this 18 day of July 2024

**A Commissioner for taking Affidavits  
For British Columbia**

**JONATHAN McNAIR**  
**A Commissioner for Oaths in and  
for the Province of British Columbia**

**Expiry date: June 30, 2027**

Creditor Type	Name	Attention	Address
Director	Ben Nyland		860 Braeside Street West Vancouver BC V7T 2K8
Official Receiver	Office of the Superintendent of Bankruptcy		#1900 - 300 West Georgia Street Vancouver BC V6B 6E1
Secured	CRA - Tax - Pacific		Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1
Unsecured	1462422 BC Ltd.		2403-1550 Fern St. North Vancouver BC V7J 0A9
	Ahsan Maredia		1005-9868 Cameron St. Burnaby BC V3J 0A5
	Air Products Canada Ltd		2233 Argentia Rd, Suite 203 Mississauga ON L5N 2X7
	Aisan Corporation of America		24387 Halsted Road Farmington Hills MI 48335 USA
	Amphenol Technical Products International		2110 Notre Dame Ave Winnipeg MB R3H 0K1
	Anna Pinto		605-4266 Grange St. Burnaby BC V5H 1P1
	Aston Carter (Aerotek ULC)		PO Box 15521,, Station A Toronto ON M5W 1C1
	ATS Test Inc.		600 Chrislea Road Woodbridge ON L4L 8K9
	Bartec Fire Safety Systems Ltd		8561 Government Street Burnaby BC V3N 4S9
	BC Hydro		333 Dunsmuir St. Vancouver BC V6B 5R3
	Ben Nyland		860 Braeside Street West Vancouver BC V7T 2K8
	Borden Ladner Gervais LLP - Vancouver		1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2
	Canadian Hydrogen & Fuel Cell Association		Suite 2900, 550 Burrard Street Vancouver BC V6C 0A3
	Cintas Canada Limited		Dept 400004, PO Box 4372 STN A Toronto ON M5W 0J2
	City Core Messenger Service		130 - 4611 No. 6 Road Richmond BC V6V 2L3
	Computershare		510 Burrard St Vancouver BC V6C 3B9
	Cook Alex Intellectual Property Law		200 West Adams Street, Suite 2004 Chicago IL 60606 USA
	CRA - GST/HST - Vancouver	Pacific Insolvency Intake Centre	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1
	Daryl Musselman		1980 Panorama Dr. North Vancouver BC V7G 1V1

**- Creditor Mailing List -**

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	DNA Data Networking & Assemblies Ltd		Unit 105 7799 Berg Road Delta BC V4G 0A5
	Ecosan Restroom Hygiene		1540 Booth Avenue Coquitlam BC V3K 1B9
	Ed McCarthy		1782 Bowser Ave. North Vancouver BC V7P 2Y5
	Edison Investment Research Inc		1185 Avenue of the Americas, 3rd Floor New York NY 10036 USA
	Fastenal Canada		#101-3191 Thunderbird Crescent Burnaby BC V5A 3G1
	Federal Express Canada Ltd		PO Box 4626, STN A Toronto ON M5W 5B4
	Fortis BC		PO Box 6666 Station Terminal Vancouver BC V6B 6M9
	Fox Valve Development Corp.		85 Franklin Rd. Dover NJ 07801 USA
	G&M Manufacturing		111 South Main Street Crystal Lake IL 60014 USA
	Gems Sensors Inc		1 Cowles Road Plainville CT 6062 USA
	George Rubin		2045 Floralyann Cres. North Vancouver BC V7J 2W3
	GFL Environmental Inc 2018 (Smithrite)		70 Golden Dr Coquitlam BC V3K 6B5
	Hyfindr GmbH		Taldorfer Strasse 4 Stuttgart BW 70599 Germany
	Infor (Canada), LTD.		250 Ferrand Drive, Suite 1200 Toronto ON M3C 3G8
	Infor (US), LLC		c/o T10303C, PO Box 4488, Postal Station A Toronto ON M5W 4H1
	Innovative Tool & Die Inc.		#17 - 7449 Hume Avenue Delta BC V4G 1C3
	Jim Head		13594 60A Ave. Surrey BC V3X 1H7
	Kimberly Fung		108-5250 Victory St. Burnaby BC V5J 5H2
	KPMG LLP		T4348, PO Box 4348, Station A Toronto ON M5W 7A6
	Leyland Hose and Silicone Services		Unit 3, Centurion Way Leyland LA PR25 3UQ UK
	Loop Energy Technologies (Shanghai) Co. Ltd.		Room 1105, Union Building No. 11, Gongzheng Road Taicang City SU 215400 China
	Manulife Canadian Property Portfolio		c/o JLL Real Estate Services 250-1095 West Pender St. Vancouver BC V6E 2M6
	McCarthy Tetrault LLP		Suite 2400, 745 Thurlow Street Vancouver BC V6E 0C5
	Messer Canada Inc		P.O Box 15687, Station A Toronto ON M5W 1C1

## - Creditor Mailing List -

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	Ministry of Finance - PST - British Columbia		Station Provincial Government PO Box 9445 Victoria BC V8W 9V5
	Mubea, Inc.		6800 Industrial Road Florence KY 41042 USA
	Net2Phone		5424 Canotek Road Ottawa ON K1J 1E9
	Orkin Canada Corporation		5840 Falbourne St Mississauga ON L5R 4B5
	Osler, Hoskin & Harcourt LLP		Finance & Accounting (Receipts) 1 First Canadian Place, PO Box 50 Toronto ON M5X 1B8
	Pacific Customs Brokers Inc		#101-17637 1st Avenue Surrey BC V3Z 9S1
	Pacific Economic Development Canada		1300-300 Georgia St. W. Vancouver BC V6B 6B4
	Paul Cataford		211 39th Ave SW Calgary AB T2S 0W6
	Proemion Corp.		241 Taylor St., Suite 301 Dayton OH 45402 USA
	Q4 INC.		469-A King St. W. Toronto ON M5V 1K4
	Quench Canada		1795 Powell Street Vancouver BC V5L 1H6
	R&D Dynamics Corporation		49 West Dudley Town Road Bloomfield CT 06002 USA
	Raymond James Ltd.		#5400 - 40 King Street West, Scotia Plaza Toronto ON M5H 3Y2
	RKI Instruments Inc		33248 Central Ave. Union City CA 94587 USA
	Salesforce.com, Inc., a Canada Corporation		c/o 914540, PO BOX 4090, STN A Toronto ON M5W 0E9
	Savills UK Ltd		Belvedere, 12 Booth Street Manchester M2 4AW UK
	Sean McKinnon		c/o Jonas McKay HHBG Lawyers Employment Justice 1918-1030 W. Georgia St. Vancouver BC V6E 2Y3
	Shaw Cablesystems		Box 1650, Station Main Calgary AB T2P 2L7
	Shenzhen Foripower Electric Co., Ltd		Building B, DeJin 2nd Industrial Park, Fuyuan 1st Road, FuYong Town Shenzhen BN 518103 China
	Sinohykey Technology Guangzhou Co. Ltd.		8 Hongyuan Road, Huangpu Development District Guangzhou GD 510760 China
	Sunbelt Rentals of Canada Inc.		93 North Bend Street Coquitlam BC V3K 6N1
	Suzhou e-Legend Trading&Engineering Co., Ltd.		Room 105, No.5, Building 4, No.32, Renmin South Road Chengziang SU China
	Terramax Logistics Corp.		101 19110 24th Surrey BC V3Z 3S9

**- Creditor Mailing List -**

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Creditor Type	Name	Attention	Address
Unsecured	The MathWorks, Inc.		3 Apple Hill Drive Natick MA 1760 USA
	Thurrock Council		Business Rates Section PO Box 1, Civic Offices, New Road Grays ES RM17 6LT United Kingdom
	Ultraseal America Inc.		4343 Concourse Drive, Suite 340 Ann Arbor MI 48108 USA
	Urban Impact Recycling Ltd.		5 Capilano Way New Westminster BC V3L 5G3
	Vitesco Technologies GmbH		c/o Davies Ward Phillips & Vineberg LLP 1501 McGill College Ave., 26th Floor Montreal QC H3A 3N9
	WorkSafeBC - Collections Department		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5



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of Canada

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du Canada

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# Update filing - update is confirmed

Welcome [josephine, fong](#) | [Preferences](#) | [E-Filing helpdesk](#) | [Instructions](#) | [Logout](#)

## Estate Information

Please Note: The following estate(s) were updated:

- **Estate Number:** 11-3105465
- **Estate Name:** Loop Energy Inc.

## Document(s) submitted

The following document(s) have been successfully submitted

- Notice to Creditors - NOI

## Reference

- The Reference Number for this transaction is: **22614645**.
- Submitted by josephine fong.
- 2024-07-18 17:30 EDT

[Submit another document for this estate.](#)

If you would like to submit a document against a different estate, please click on the **Update** link in the left hand side menu.

**Date modified:** 2023-12-13



July 18, 2024

**To: The Creditors of Loop Energy Inc. (the "Company")**

The Company filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA") on July 17, 2024 and Crowe MacKay & Company Ltd. (the "Trustee") was named Proposal Trustee for the Company. Enclosed for your records is a copy of the NOI and the List of Creditors. As the Trustee, we would like to take this opportunity to address some issues and perhaps answer some questions that you may have.

**The Company has NOT filed for Bankruptcy nor is the Company in Receivership.**

The Company remains under the control of management. The NOI creates a stay of proceedings and allows the Company a period of up to thirty days to prepare and file a Proposal to its creditors unless the period is extended by the Court upon application by the Company. During this period, the Trustee will monitor the business of the Company and assist the Company in preparing its Proposal.

All amounts owed by the Company as at the date of the NOI will be dealt with as part of the Proposal to be filed by the Company. The Company is continuing to operate as usual during the NOI period. Pursuant to Section 65.1 of the BIA, no person may terminate or amend any agreement, including a security agreement, with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement, including a security agreement, with the Company by reason only that the insolvent person is insolvent or a NOI or Proposal has been filed.

**Filing a Claim**

At this time, you do NOT need to file a Proof of Claim or report any discrepancies concerning the amount reported as owing to you by the Company as stated on the List of Creditors enclosed. You will receive a Proof of Claim form to complete and file with the Trustee after the Company has filed its Proposal or if the Company is deemed bankrupt. All proven creditors will have the opportunity to vote on the Proposal in person or by mail at a creditor's meeting to be held approximately three weeks after the Proposal is filed.

The Trustee will be providing updates with respect to the status of this proceeding on its website ([www.crowemackayco.ca](http://www.crowemackayco.ca)) under 'recent engagements'.

If you have any questions, please contact Mr. Tetsu Takagaki at 604-697-5298 / [tetsu.takagaki@crowemackay.ca](mailto:tetsu.takagaki@crowemackay.ca) or Ms. Sarah Sabbagh at 604-245-1967 / [sarah.sabbagh@crowemackay.ca](mailto:sarah.sabbagh@crowemackay.ca)

Yours very truly,

**CROWE MACKAY & COMPANY LTD.**

in its capacity as Proposal Trustee in the Notice of Intention to Make a Proposal of Loop Energy Inc. and not in its personal capacity

per:



Encl.

**JONATHAN McNAIR**  
A Commissioner for Oaths In and  
for the Province of British Columbia  
Expiry date: June 30, 2027

Vancouver Resident Office  
1100 - 1177 West Hastings Street  
Vancouver, BC V6E 4T5

Surrey Non-Resident Office  
200, 5455 152 Street  
Surrey, BC V3S 5A5

This is Exhibit B referred to in the  
affidavit of Josephine Fong  
sworn before me at Vancouver  
this 18 day of July 2024

  
A Commissioner for taking Affidavits  
For British Columbia



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of British Columbia  
Division No. 03 - Vancouver  
Court No. 11-3105465  
Estate No. 11-3105465

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

**Loop Energy Inc.**

Insolvent Person

**CROWE MACKAY & COMPANY LTD**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

July 17, 2024

---

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

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

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

Date: July 18, 2024, 12:31

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

**Canada**

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

Take notice that:

1. I, Loop Energy Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Crowe MacKay & Company Ltd. of 1100 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 16th day of July 2024.



---

Loop Energy Inc.  
Insolvent Person

To be completed by Official Receiver:

---

Filing Date

---

Official Receiver

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Loop Energy Inc.  
 of the City of Burnaby, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1462422 BC Ltd.	2403-1550 Fern St. North Vancouver BC V7J 0A9		250.00
Ahsan Maredia	1005-9868 Cameron St. Burnaby BC V3J 0A5		250.00
Air Products Canada Ltd	2233 Argentia Rd, Suite 203 Mississauga ON L5N 2X7		60,321.62
Aisan Corporation of America	24387 Halsted Road Farmington Hills MI 48335 USA		84,286.54
Amphenol Technical Products International	2110 Notre Dame Ave Winnipeg MB R3H 0K1		6,570.42
Anna Pinto	605-4266 Grange St. Burnaby BC V5H 1P1		3,919.03
Aston Carter (Aerotek ULC)	PO Box 15521,, Station A Toronto ON M5W 1C1		14,131.40
ATS Test Inc.	600 Chrislea Road Woodbridge ON L4L 8K9		170,086.00
Bartec Fire Safety Systems Ltd	8561 Government Street Burnaby BC V3N 4S9		1,281.15
BC Hydro	333 Dunsmuir St. Vancouver BC V6B 5R3		1,930.55
Ben Nyland	860 Braeside Street West Vancouver BC V7T 2K8		91,000.00
Borden Ladner Gervais LLP	1200 Waterfront Centre, 200 Burrard St, P.O. Box 48600 Vancouver BC V7X 1T2		64,066.81
Canadian Hydrogen & Fuel Cell Association	Suite 2900, 550 Burrard Street Vancouver BC V6C 0A3		8,036.89
Cintas Canada Limited	Dept 400004, PO Box 4372 STN A Toronto ON M5W 0J2		426.99

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No.  
 Estate No.

- FORM 33 -

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

In the Matter of the Proposal of  
 Loop Energy Inc.  
 of the City of Burnaby, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

**List of Creditors with claims of \$250 or more.**

Creditor	Address	Account#	Claim Amount
City Core Messenger Service	130 - 4611 No. 6 Road Richmond BC V6V 2L3		250.00
Computershare	510 Burrard St Vancouver BC V6C 3B9		1,731.65
Cook Alex Intellectual Property Law	200 West Adams Street, Suite 2004 Chicago IL 60606 USA		8,022.34
CRA - GST/HST - Vancouver Pacific Insolvency Intake Centre	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1		250.00
CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	Source Deductions	250.00
Daryl Musselman	1980 Panorama Dr. North Vancouver BC V7G 1V1		234,993.27
DNA Data Networking & Assemblies Ltd	Unit 105 7799 Berg Road Delta BC V4G 0A5		178,918.49
Ecosan Restroom Hygiene	1540 Booth Avenue Coquitlam BC V3K 1B9		5,354.12
Ed McCarthy	1782 Bowser Ave. North Vancouver BC V7P 2Y5		250.00
Edison Investment Research Inc	1185 Avenue of the Americas, 3rd Floor New York NY 10036 USA		23,127.21
Fastenal Canada	#101-3191 Thunderbird Crescent Burnaby BC V5A 3G1		250.00
Federal Express Canada Ltd	PO Box 4626, STN A Toronto ON M5W 5B4		404.04
Fortis BC	PO Box 6666 Station Terminal Vancouver BC V6B 6M9		250.00
Fox Valve Development Corp.	85 Franklin Rd. Dover NJ 07801 USA		14,301.28

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Loop Energy Inc.  
 of the City of Burnaby, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
G&M Manufacturing	111 South Main Street Crystal Lake IL 60014 USA		13,093.91
Gems Sensors Inc	1 Cowles Road Plainville CT 6062 USA		37,422.00
George Rubin	2045 Floralynn Cres. North Vancouver BC V7J 2W3		37,625.00
GFL Environmental Inc 2018 (Smithrite)	70 Golden Dr Coquitlam BC V3K 6B5		250.00
Hyfindr GmbH	Taldorfer Strasse 4 Stuttgart BW 70599 Germany		6,810.13
Infor (Canada), LTD.	250 Ferrand Drive, Suite 1200 Toronto ON M3C 3G8		47,202.10
Infor (US), LLC	c/o T10303C, PO Box 4488, Postal Station A Toronto ON M5W 4H1		15,407.34
Innovative Tool & Die Inc.	#17 - 7449 Hume Avenue Delta BC V4G 1C3		250.00
Jim Head	13594 60A Ave. Surrey BC V3X 1H7		250.00
Kimberly Fung	108-5250 Victory St. Burnaby BC V5J 5H2		250.00
KPMG LLP	T4348, PO Box 4348, Station A Toronto ON M5W 7A6		37,509.51
Leyland Hose and Silicone Services	Unit 3, Centurion Way Leyland LA PR25 3UQ UK		10,314.77
Loop Energy Technologies (Shanghai) Co. Ltd.	Room 1105, Union Building No. 11, Gongzheng Road Taicang City SU 215400 China		530,000.00
Manulife Canadian Property Portfolio	c/o JLL Real Estate Services 250-1095 West Pender St. Vancouver BC V6E 2M6		262,545.60

District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Loop Energy Inc.  
 of the City of Burnaby, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
McCarthy Tetrault LLP	Suite 2400,, 745 Thurlow Street Vancouver BC V6E 0C5		250.00
Messer Canada Inc	P.O Box 15687, Station A Toronto ON M5W 1C1		250.00
Mubea, Inc.	6800 Industrial Road Florence KY 41042 USA		19,490.30
Net2Phone	5424 Canotek Road Ottawa ON K1J 1E9		1,233.82
Orkin Canada Corporation	5840 Falbourne St Mississauga ON L5R 4B5		732.30
OSLER, HOSKIN & HARCOURT LLP	FINANCE & ACCOUNTING (RECEIPTS), 1 First Canadian Place, PO BOX 50 Toronto ON M5X 1B8		295,402.03
Pacific Customs Brokers Inc	#101-17637 1st Avenue Surrey BC V3Z 9S1		250.00
Pacific Economic Development Canada	1300-300 Georgia St. W. Vancouver BC V6B 6B4		8,929,919.00
Paul Cataford	211 39th Ave SW Calgary AB T2S 0W6		250.00
Proemion Corp.	241 Taylor St., Suite 301 Dayton OH 45402 USA		48,098.07
Q4 INC.	469-A King St. W. Toronto ON M5V 1K4		3,272.05
Quench Canada	1795 Powell Street Vancouver BC V5L 1H6		762.42
R&D Dynamics Corporation	49 West Dudley Town Road Bloomfield CT 06002 USA		604,739.85
Raymond James Ltd.	Scotia Plaza,, Suite 5400, 40 King Street West Toronto ON M5H 3Y2		165,865.85



District of: British Columbia  
 Division No. 03 - Vancouver  
 Court No.  
 Estate No.

- FORM 33 -

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

In the Matter of the Proposal of  
 Loop Energy Inc.  
 of the City of Burnaby, in the Province of British Columbia  
 Crowe MacKay & Company Ltd., Trustee

**List of Creditors with claims of \$250 or more.**

Creditor	Address	Account#	Claim Amount
RKI Instruments Inc	33248 Central Ave. Union City CA 94587 USA		56,280.00
Salesforce.com, Inc., a Canada Corporation	c/o 914540, PO BOX 4090, STN A Toronto ON M5W 0E9		256,783.36
Savills UK Ltd	Belvedere, 12 Booth Street Manchester M2 4AW UK		20,701.43
Sean McKinnon	c/o Jonas McKay HHBG Lawyers Employment Justice, 1918-1030 W. Georgia St. Vancouver BC V6E 2Y3		164,711.84
Shaw Cablesystems	Box 1650, Station Main Calgary AB T2P 2L7		250.00
Shenzhen Foripower Electric Co., Ltd	Building B, DeJin 2nd Industrial Park, Fuyuan 1st Road, FuYong Town Shenzhen BN 518103 China		288,100.00
Sinohykey Technology Guangzhou Co. Ltd.	8 HONGYUAN ROAD, HUANGPU DEVELOPMENT DISTRICT Guangzhou GD 510760 China		30,433.12
Sunbelt Rentals of Canada Inc.	93 North Bend Street Coquitlam BC V3K 6N1		336.00
Suzhou e-Legend Trading&Engineering Co., Ltd.	Room 105, No.5, Building 4, No.32, Renmin South Road Chengziang SU China		17,498.23
Terramax Logistics Corp.	101 19110 24th Surrey BC V3Z 3S9		5,962.42
The MathWorks, Inc.	3 Apple Hill Drive Natick MA 1760 USA		50,230.67
Thurrock Council	Business Rates Section,, PO Box 1,, Civic Offices, New Road Grays ES RM17 6LT UK		11,515.47
Ultraseal America Inc.	4343 Concourse Drive STE 340 Ann Arbor MI 48108 USA		17,817.90



District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No.

- FORM 33 -

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

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Urban Impact Recycling Ltd.	5 Capilano Way New Westminster BC V3L 5G3		250.00
Vitesco Technologies GmbH	c/o Davies Ward Phillips & Vineberg LLP, 1501 McGill College Ave., 26th Floor Montreal QC H3A 3N9 Germany		122,777.53
<b>Total</b>			13,088,003.82



Loop Energy Inc.  
Insolvent Person

- Proposal Consent -

In the Matter of the Proposal of  
Loop Energy Inc.  
of the City of Burnaby, in the Province of British Columbia  
Crowe MacKay & Company Ltd., Trustee

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Loop Energy Inc..

Dated at the City of Vancouver in the Province of British Columbia, this 17th day of July 2024.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee



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1100 - 1177 West Hastings Street  
Vancouver BC V6E 4T5  
Phone: (604) 689-3928 Fax: (604) 687-5617

## Appendix - D

In the Matter of the Notice of Intention to File a Proposal of Loop Energy Inc.  
 For the period of July 9, 2024 to October 8, 2024  
 Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTAL
	16-Jul-24	23-Jul-24	30-Jul-24	6-Aug-24	13-Aug-24	20-Aug-24	27-Aug-24	3-Sep-24	10-Sep-24	17-Sep-24	24-Sep-24	1-Oct-24	8-Oct-24	
<b>RECEIPTS</b>														
Sale of Asset	2	212,000	-	-	-	-	-	-	-	-	-	-	-	212,000
Other receipts	3	37,600	22,900	-	-	-	-	-	-	-	-	-	-	60,500
DIP Loan	4	-	-	400,000	-	-	-	200,000	-	-	-	-	-	600,000
<b>TOTAL RECEIPTS</b>		<b>249,600</b>	<b>22,900</b>	<b>400,000</b>	-	-	-	<b>200,000</b>	-	-	-	-	-	<b>872,500</b>
<b>DISBURSEMENTS</b>														
DIP Loan Fees & Expenses	4	-	-	45,000	-	-	-	20,000	-	-	-	-	-	65,000
DIP Loan Interest	4	-	-	846	846	846	846	846	1,269	1,269	1,269	1,269	1,269	10,577
Insurance (D&O and P&C)		-	-	-	-	-	20,000	-	-	-	10,000	-	-	30,000
Leases	5	87,000	-	87,000	-	-	-	87,000	-	-	-	-	-	261,000
Payroll and Contractors	6	19,375	-	19,375	-	19,375	-	19,375	-	19,375	-	19,375	39,861	156,111
Payroll Remittance	6	-	15,000	1,183	-	1,183	-	1,183	-	1,183	-	1,183	-	20,917
Proposal/NOI costs	7	116,700	6,700	6,700	6,700	4,200	54,200	4,200	4,200	29,200	4,200	4,200	4,200	249,600
Utilities and Other Op Costs	8	21,700	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	66,700
Contingency		2,700	5,000	5,000	5,000	5,000	18,000	5,000	5,000	5,000	10,000	10,000	10,000	90,700
<b>TOTAL DISBURSEMENTS</b>		<b>247,475</b>	<b>30,450</b>	<b>81,008</b>	<b>103,296</b>	<b>34,354</b>	<b>76,796</b>	<b>54,354</b>	<b>120,796</b>	<b>39,219</b>	<b>34,778</b>	<b>29,219</b>	<b>39,778</b>	<b>950,605</b>
<b>NET CHANGE</b>		<b>2,125</b>	<b>(7,550)</b>	<b>318,992</b>	<b>(103,296)</b>	<b>(34,354)</b>	<b>(76,796)</b>	<b>(54,354)</b>	<b>79,204</b>	<b>(39,219)</b>	<b>(34,778)</b>	<b>(29,219)</b>	<b>(39,778)</b>	<b>(78,105)</b>
Cash, beginning		86,116	88,241	80,691	399,683	296,387	262,032	185,236	130,881	210,085	170,866	136,088	106,869	86,116
<b>Cash, ending</b>		<b>88,241</b>	<b>80,691</b>	<b>399,683</b>	<b>296,387</b>	<b>262,032</b>	<b>185,236</b>	<b>130,881</b>	<b>210,085</b>	<b>170,866</b>	<b>136,088</b>	<b>106,869</b>	<b>67,092</b>	<b>8,011</b>

Ben Nyland

**Loop Energy Inc.**

This statement of projected cash flow of Loop Energy Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.



**Crowe MacKay & Company Ltd.**

in its capacity as Trustee under the Notice of Intention to Make a Proposal of Loop Energy Inc. and not in its personal capacity

Appendix - E

**Debtor-in-Possession Facility Term Sheet**

July 16, 2024

Loop Energy Inc.  
2880 Production Way  
Burnaby, BC  
V5A 4T6

Attention: CEO

The Lender (defined below) is pleased to offer to the Borrower (defined below) credit facilities described below on, and subject to, the terms and conditions described in this Term Sheet and the attached Schedule A (together, this “**Term Sheet**”).

1. **Borrower:** Loop Energy Inc. a corporation incorporated under the laws of the Province of British Columbia (the “**Borrower**”) with a mailing address at 2880 Production Way, Burnaby, BC, V5A 4T6.
2. **Lender:** Teralta Hydrogen Solutions Inc. and/or affiliate (the “**Lender**”).
3. **Principal Amount:** \$600,000.00, to be made available in two tranches: the first tranche of \$400,000.00 drawn at the request of the Borrower; and, if requested by the Borrower after September 1, 2024, a second tranche of \$200,000.00.
4. **Instrument:** Debtor in possession loan (the “**Interim Loan**”), in the form of a non-revolving facility, subject to a satisfactory order (the “**Interim Loan Approval Order**”) of the Supreme Court of British Columbia made in the *Bankruptcy and Insolvency Act* proposal or *Companies Creditors Arrangement Act* proceedings initiated by the Borrower (collectively, the “**BIA Proceedings**”) approving the Interim Loan and granting the Lender a first-place super priority charge over the assets of the Borrower (the “**Interim Lender’s Charge**”) in form and substance acceptable to the Lender in its sole discretion.
5. **Use of Proceeds:** Working capital
6. **Closing Date:** As required by the Borrower, subject to fulfilment of the conditions precedent set forth in this Term Sheet.
7. **Maturity:** The Interim Loan, including any outstanding principal, interest and fees becomes fully due and payable upon a date (the “**Maturity Date**”) which is the earlier of:
  - a) October 8, 2024; or
  - b) such further defaults in the Lender’s form of a loan agreement.

8. **Accelerated Maturity:** The Interim Loan shall be suspended, and the Maturity Date may be accelerated (at the option of the Lender) upon the occurrence of a Default.
9. **Defaults:** Any of the following will constitute a default (each a “**Default**” and, collectively, the “**Defaults**”):
- a) if the Interim Loan Approval Order has been vacated, stayed or otherwise caused to be ineffective or is otherwise amended in a manner not approved by the Lender (which approval may be withheld in the sole discretion of the Lender);
  - b) the issuance of an order terminating the BIA Proceedings or lifting the stay in the BIA Proceedings to permit the enforcement of any security against the Borrower or the assets of the Borrower, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against a Borrower or the assets of the Borrower;
  - c) any steps are taken by the Borrower or any other person to challenge the Interim Loan Approval Order or the validity, enforceability or priority of the Interim Lender’s Charge;
  - d) failure of the Borrower to comply in any way with: (i) any Cash Flow Forecast; (ii) the requirements and procedures set out herein for the drawdown of the Interim Loan; or (iii) failure of the Borrower to perform or comply with any other term or covenant under this Term Sheet; or
  - e) the Borrower enters into any other credit facility or loan arrangements that would be secured in priority to or *pari passu* with the Interim Loan.
10. **Waiver:** The Defaults may be waived by the Lender in its sole discretion.
11. **Repayment:** The full amount of all outstanding principal and interest will be repaid on the Maturity Date. There is no right of prepayment.
12. **Interest:** The Interim Loan shall bear interest at the rate of 11% per annum calculated monthly and in arrears on any amounts disbursed to the Borrower. If the effective annual rate of interest calculated in accordance with generally accepted actuarial practice and principles exceeds sixty per cent on the credit advanced under this agreement, then this agreement shall be read down so that the effective annual rate of interest shall be 59%.
13. **Fees and expense:** A closing fee of 10% of all drawn amounts is to be paid by the Borrower to the Lender on the respective draw down date. The Borrower will reimburse the Lender for all reasonable and customary legal, professional and other due diligence costs (the

“Costs”) associated with the Interim Loan where such Costs will not exceed \$5,000.

**14. Additional Agreements and Security:**

If required by the Lender, the Borrower will execute the following additional agreements and obtain the following security:

- a) a loan agreement;
- b) the Interim Lender’s Charge whereby all other charges other than an administration charge in the amount of \$200,000.00, securing the Borrower’s obligations to its legal counsel, the proposal trustee and the proposal trustee’s legal counsel, shall be subordinated to the Interim Lender’s Charge;
- c) the Borrower will grant to the Lender a security interest in and to all of the Borrower’s present and after-acquired personal property; and
- d) such other security instruments as the Lender may reasonably require.

**15. Debt Covenants:**

The debt covenants associated with the Interim Loan shall include, but are not limited to, the following (collectively, the “**Debt Covenants**”):

- a) prepare and deliver to the proposal trustee from time to time as required by the proposal trustee a cash flow forecast and updates (each a “**Cash Flow Forecast**”);
- b) operate in compliance with the most current Cash Flow Forecast;
- c) report to the Lender upon request by the Lender as set out in **Schedule “A”** hereto (the “**Reporting**”);
- d) comply with the provisions of any orders of the court made in the BIA Proceedings;
- e) conduct all activities in accordance with the Borrower’s Cash Flow Forecast;
- f) keep the Lender informed of the Borrower’s activities and consult the Lender with respect to any matters that could reasonably be expected to affect the Lender; and
- g) no further encumbrances of the assets of the Borrower.

**16. Conditions:**

In addition to the matters described elsewhere in this Term Sheet, the completion of the transaction and each drawdown of the Interim Loan will be subject to the following conditions:

- a) the granting by the court in the BIA Proceedings of the Interim Loan Approval Order, including approval of this Term Sheet and granting the Interim Lender's Charge;
- b) the approval by the Lender, in writing and in its sole discretion, of each Cash Flow Forecast;
- c) payment of all fees and expenses related to the financing; and
- d) compliance with the Debt Covenants.

- 17. **Representation and Warranties:** As normal for a transaction of this nature (which shall be, in each case, subject to materiality qualifiers, exceptions, thresholds and limitations to be mutually agreed upon).
- 18. **Confidentiality:** Except as otherwise provided herein, unless and until such time as approval of this Term Sheet is sought in the BIA Proceedings, the Borrower, its shareholders, employees and other representatives will not disclose the existence or contents of this Term Sheet except to their advisors and representatives who need to know the existence and contents hereof in order to facilitate the completion of the Interim Loan by the Lender.
- 19. **No Broker:** The Borrower represents and warrants that no commissions or other payments shall be due to any broker, consultant or any other third party in connection with this Interim Loan.
- 20. **Further Assurances:** The Borrower will, at its expense, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further and other acts, agreements, instruments, registrations, filings and assurances as the Lender may require for the purpose of giving effect to this Term Sheet.
- 21. **Governing Law:** This Term Sheet and all related agreements shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Yours truly,

**TERALTA HYDROGEN SOLUTIONS INC.**

by its authorized signatory:

DocuSigned by:  
*Simon Pickup*  
8D7621127BCF470...

Name: Simon Pickup  
Title: CEO

The undersigned hereby acknowledges, accepts and agrees to the terms and conditions of this Term Sheet (including Schedule A attached hereto) this \_\_\_\_\_ day of July 2024.

7/17/2024

**LOOP ENERGY INC.**

by its authorized signatory:

DocuSigned by:  
*Paul Cataford*  
C666A74342B241C

Name: Paul Cataford  
Title: Interim CEO & Director



## **SCHEDULE "A"**

### **REPORTING REQUIREMENTS**

The Borrower will provide the following, or any portion thereof, on request of the Lenders:

- a) internal financial statements as at the close of business of the previous Friday;
- b) copies of all bank statements showing the prior week's transactions;
- c) detailed aged accounts receivable and accounts payable listings; and
- d) a complete inventory listing by location identified by Borrower and identifying which are subject to purchase money security interests;

In addition to the above, and unless cancelled by the Lender, a Director of the Borrower will attend a weekly call every Wednesday after the closing date of the Interim Loan to discuss any questions that the Lender or its advisors may have.

## **SALES AND INVESTMENT SOLICITATION PROCESS**

### **LOOP ENERGY INC.**

#### ***INTRODUCTION***

1. On July 17, 2024, Loop Energy Inc. ("Loop Energy") filed a notice of intention to make a proposal to its creditors (the "NOI") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "BIA"). Loop Energy's proceedings under the BIA are referred to herein as the "BIA Proceedings". The BIA Proceedings will be supervised by the Supreme Court of British Columbia In Bankruptcy and Insolvency (the "Court").
2. Crowe Mackay & Company Ltd. is the proposal trustee with respect to the NOI and the BIA Proceedings (in such capacity, the "Proposal Trustee").
3. On August 2, 2024, Loop Energy applied to the Court for an Order (the "SISP Order"), among other things, approving the sale and investment solicitation process set out herein (the "SISP"). Capitalized terms used and not otherwise defined in this SISP are as defined in the SISP Order.
4. The Proposal Trustee will market the Opportunity (as defined below) by developing a list of Known Potential Bidders (as defined below), communicating and meeting with interested parties, preparing and distributing marketing materials and managing the Data Room (defined below).

#### ***SISP OVERVIEW***

5. The purpose of the SISP is to solicit interest in, and opportunities for, one or more or any combination of (a) a restructuring, recapitalization or other form of reorganization of the business and affairs of Loop Energy as a going concern, or (b) a sale of all, or substantially all, of Loop Energy's assets (the "Property") and/or business operations of Loop Energy (the "Business") as a going concern or otherwise (the "Opportunity").
6. The SISP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "Person") may gain access to or continue to have access to due diligence materials concerning Loop Energy, the Property, and the Business, how bids involving Loop Energy, the Property or the Business will be submitted to and dealt with by the Proposal Trustee, and how Court approval will be obtained in respect of any Transaction (as defined below).
7. As described below, the various deadlines herein may be extended by and at the discretion of the Proposal Trustee in consultation with Loop Energy. The Proposal Trustee will consider extending the various deadlines herein in the event that the Proposal Trustee determines, in its sole discretion, that such an extension will generally benefit Loop Energy's creditors and other stakeholders. The Proposal

Trustee shall generally conduct and oversee the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.

8. Any transaction involving Loop Energy, the Property or the Business (in each case, a "Transaction") will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Proposal Trustee, Loop Energy, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined in this SISP).
9. The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in this SISP):

<b>Event</b>	<b>Date</b>
Loop Energy's Application to the Court for Approval of the SISP	August 2, 2024
The Proposal Trustee to create list of Known Potential Bidders and distribute Teaser Letter and Confidentiality Agreements to Known Potential Bidders	As soon as practical and no later than August 9, 2024
The Proposal Trustee to prepare and have available for Potential Bidders the Data Room	As soon as practical and no later than August 12, 2024
Bid Deadline	September 6, 2024
Loop Energy's Application to the Court for Approval Order(s)	As soon as reasonably practical after accepting the Winning Bid(s) and entering into the Bid Agreement(s)
Closing of the Transaction	Within ten (10) days of the Approval Order becoming the Final Order, subject to any extensions approved by the Proposal Trustee

## **THE SISP PROCESS**

### **A. Initial Solicitation of Interest**

10. Loop Energy and the Proposal Trustee may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SISP Order.
11. As soon as reasonably practicable and in any event by no later than August 9, 2024 in consultation with Loop Energy and any Qualified Secured Creditors, the Proposal Trustee will prepare a list of potential bidders (the "Known Potential Bidders") who may have interest in a Transaction. Such list shall include both strategic and financial parties who may be interested in acquiring an interest in: (a) Loop Energy's assets pursuant to an asset purchase transaction (an "Asset Bid"); or (b) a restructuring of the debt, share or capital structure of Loop Energy (a "Restructuring Bid"). Concurrently, the Proposal Trustee will prepare an initial offering summary (the "Teaser Letter") notifying Known Potential Bidders of the SISP and inviting the Known Potential Bidders to express interest in making an Asset Bid or Restructuring Bid (each, a "Bid").
12. By no later than August 12, 2024, the Proposal Trustee shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a draft form of confidentiality agreement (the "Confidentiality Agreement") that shall, inure to the benefit of the Person or Persons who make the Winning Bid (as defined in this SISP) pursuant to this SISP. Copies of the Teaser Letter and Confidentiality Agreement shall also be provided to any appropriate Person who becomes known to Loop Energy or the Proposal Trustee after the initial distribution of such documents.
13. Any Person who wishes to be deemed a potential bidder (each, a "Potential Bidder") shall execute a Confidentiality Agreement and provide a copy of same to the Proposal Trustee. In consultation with Loop Energy and any Qualified Secured Creditors, the Proposal Trustee shall in its sole discretion, determine whether such Person shall be permitted to become a Potential Bidder, based on: (a) the identity of the Person, including its direct and indirect principals; (b) the Person's financial capabilities and technical expertise to conclude a Transaction; (c) the Person executing the Confidentiality Agreement; and (d) any other criteria the Proposal Trustee considers to be relevant.

### **B. Due Diligence**

14. Any Person whom the Proposal Trustee deems to be a Potential Bidder shall, upon executing a Confidentiality Agreement, receive a SISP bid package (the "Bid Package"), prepared by the Proposal Trustee describing the opportunity.
15. Immediately following delivery of the Bid Package, the Proposal Trustee shall provide each Potential Bidder with information, including access to an electronic data room established by the Proposal Trustee (the "Data Room"), that the Proposal

Trustee and Loop Energy in their reasonable business judgment determine to be necessary for the Potential Bidder to evaluate a transaction involving a Bid. The Data Room will include, among other things, a form of asset purchase agreement ("APA") and share purchase agreement ("SPA") for use by Potential Bidders who wish to submit a Bid.

16. Loop Energy and the Proposal Trustee shall coordinate all reasonable requests for additional information and due diligence access, including meetings with Loop Energy's management, from Potential Bidders.
17. Neither Loop Energy nor the Proposal Trustee will be obliged to furnish any information relating to the Property or the Business other than to a Potential Bidder. However, any information provided to one Potential Bidder shall be posted in the Data Room so that it is available to all Potential Bidders participating in the SISP.
18. The Proposal Trustee and Loop Energy and their respective advisors make no representation or warranty as to the information contained in the Bid Package or otherwise made available pursuant to the SISP, including any information contained in the Data Room.

C. Bid Process

19. Any Potential Bidder who wishes to submit a Bid, must deliver a written, non-binding letter of intent (each an "LOI"), to the Proposal Trustee at the address specified in, and in accordance with Schedule "A" attached hereto; so as to be received by the Proposal Trustee no later than 5:00 p.m. (Pacific time) on September 6, 2024 or such later time and date as the Proposal Trustee and Loop Energy may determine, in consultation with any Qualified Secured Creditors (the "Bid Deadline"). Each such Potential Bidder who so submits an LOI shall be deemed a "Bidder".
20. The LOIs received by the Proposal Trustee shall be reviewed by the Proposal Trustee, in consultation with Loop Energy and any Qualified Secured Creditors.
21. Any LOI submitted by a Bidder must include:
  - a. A copy of the APA or SPA, as applicable, based on the template provided by the Proposal Trustee in the Data Room (the "Bid Agreement"), that includes the proposed purchase price in Canadian Dollars (the "Purchase Price"). The LOI must also include a copy of a blackline comparison between the Bid Agreement compared to the template provided in the Data Room. Failure to include such blackline comparison may result in the Proposal Trustee's refusal to consider the Bid;
  - b. Written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Proposal Trustee to allow the Proposal Trustee in consultation with Loop Energy to make a reasonable determination as to the bidder's (and its direct and indirect

owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Bid;

- c. A deposit in the amount of 10% of the Purchase Price, payable to "Crowe Mackay & Company Ltd.- in trust" (the "Deposit") by way of bank draft or certified cheque. If the consideration contemplated is primarily by way of Credit Bid (defined below), the Deposit payable shall be calculated based on 10% of the total consideration payable under the bid;
- d. A statement by the Potential Bidder that the Bid is not subject to any conditions other than approval by the Court.

22. In addition, the LOI must:

- a. include a letter stating that the Bid is irrevocable until the earlier of (i) the approval by the Court, and (ii) forty five (45) days following the Final Bid Deadline; provided, however, that if such Asset Bid is selected as the Winning Bid or the Backup Bid, it shall remain irrevocable until the closing of the transactions contemplated by the Winning Bid or the Backup Bid, as the case may be;
- b. not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- c. fully disclose the identity of each Person that is bidding or otherwise that will be sponsoring or participating in the Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- d. contain any other information requested by the Proposal Trustee or Loop Energy; and
- e. be received by no later than the Bid Deadline.

23. The Proposal Trustee and Loop Energy may consider any Bid on behalf of a secured creditor of Loop Energy that is not a Qualified Secured Creditor, in which all or a portion of the consideration being offered includes the compromise of indebtedness owing from Loop Energy to that secured creditor (a "Credit Bid").

D. Selection of Winning Bid

24. The Proposal Trustee, in consultation with Loop Energy shall review all Bids in consultation with any Qualified Secured Creditors. Subject to the approval of the Proposal Trustee, the Proposal Trustee may, but shall have no obligation to, enter into a definitive agreement or Bid Agreement with the Person or Persons who submitted the highest, best or otherwise most favourable Bid(s). Further, the Proposal Trustee in consultation with Loop Energy and any Qualified Secured

Creditors, may waive strict compliance with one or more of the requirements specified above and deem any Bid(s) to be a Winning Bid (defined below).

25. In the event that the Proposal Trustee enters into one or more Bid Agreements with the approval of Loop Energy and in consultation with any Qualified Secured Creditors, any Bid so selected shall be a "Winning Bid" and the next highest, best or otherwise most favourable Bid received, as determined by the Proposal Trustee, with the approval of Loop Energy, shall be the "Backup Bid". Any Potential Bidder that makes a Winning Bid shall be a "Successful Bidder" and any Potential Bidder that makes a Backup Bid shall be a "Backup Bidder".
26. The Proposal Trustee will notify each Successful Bidder and Backup Bidder of the Final Agreement and the Backup Bid shall remain open until the consummation of the transaction contemplated by the Winning Bid (and, for greater certainty, the Proposal Trustee shall be entitled to continue to hold the Deposit in respect of the Backup Bid until such time as the transaction contemplated by the Whining Bid is consummated).
27. This SISP shall terminate, in the event that: (a) no Bidder submits or is deemed to have submitted a Bid; or (b) the Proposal Trustee, with the approval of Loop Energy and in consultation with any Qualified Secured Creditors, determines that none of the Bids should be accepted.
28. The highest Bid may not necessarily be accepted by the Proposal Trustee. The Proposal Trustee, with the approval of Loop Energy in consultation with any Qualified Secured Creditors, reserves the right not to accept any Bid or to otherwise terminate the SISP. The Proposal Trustee, with the approval of Loop Energy, in consultation with any Qualified Secured Creditors, further reserves the right to deal with one or more Bidders to the exclusion of others, to accept a Bid or Bids for some or all of the Property, Loop Energy or the Business, to accept multiple Bids or enter into multiple Bid Agreements.

#### E. Approval Orders

29. In the event that the Proposal Trustee enters into a Bid Agreement or Agreements, the Proposal Trustee and/or Loop Energy shall apply as soon as reasonably practicable thereafter, for orders (the "Approval Orders") from the Court, in form and substance satisfactory to the Proposal Trustee, approving the transaction or transactions contemplated by the Winning Bid(s) and any necessary related relief required to consummate the transaction(s) contemplated by the Winning Bid(s), subject to the terms of the Bid Agreement(s).
30. Loop Energy may also concurrently obtain relief approving the transaction contemplated by the Backup Bid and any necessary related relief required to consummate the transaction contemplated by the Backup Bid.
31. An Approval Order shall become a "Final Order" upon satisfaction of the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or

vacated and is not subject to any stay; and (c) all applicable appeal periods have expired, and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

F. Closing

32. Closing of the transaction(s) contemplated in any Court approved Bid Agreement shall occur within ten (10) days of the date upon which the Approval Order(s) have become Final Orders, or as may be extended with the approval of the Proposal Trustee, in consultation with Loop Energy and any Qualified Secured Creditors.

G. Deposits

33. All Deposits paid pursuant to this SISF shall be held in trust by the Proposal Trustee in a non-interest bearing account, who shall hold Deposits paid by each of the Successful Bidder and the Backup Bidder in accordance with the terms outlined in this SISF. In the event that a Deposit is paid pursuant to this SISF and the Proposal Trustee elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the Proposal Trustee shall return the Deposit to that Person as soon as reasonably practicable thereafter.
34. In the event that either of the Successful Bidder or the Backup Bidder default in the payment or performance of any obligations owed to the Proposal Trustee pursuant to any Final Agreement, the Deposit paid by the Successful Bidder or the Backup Bidder, as applicable, shall be forfeited by such party as liquidated damages and not as a penalty.