



No. PPR-SB12561  
Estate No. 11-3211525  
Province of British Columbia  
Bankruptcy Division  
Prince Rupert Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF  
ANTLER CREEK CONTRACTING LTD.**

**NOTICE OF APPLICATION**

**Name of applicant:** Antler Creek Contracting Ltd. (the “**Applicant**”).

To: The persons enumerated in Schedule “A” hereto.

TAKE NOTICE that an application will be made by the Applicant to the Honourable Justice Weatherill at the courthouse at 800 Smithe Street, Vancouver, British Columbia on May 7, 2025 at 9:00 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 60 minutes.

X This matter is not within the jurisdiction of an associate judge. This matter has been scheduled to be heard in front of the Honourable Justice Weatherill by Supreme Court Scheduling.

**Part 1: ORDER SOUGHT**

1. The Applicant seeks an order in substantially the form of draft order attached hereto as Schedule “B”:

- (a) granting a charge on the assets, property and undertakings of the Applicant (the “**Property**”) in the aggregate amount of \$150,000 (the “**Administration Charge**”) as security for the collective fees and disbursements of: (i) Crowe MacKay & Company Ltd. (the “**Proposal Trustee**”); (ii) counsel for the Proposal Trustee; and (iii) counsel for the Applicant, that shall rank in priority to all other security

interests and claims of other persons other than any secured claims set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”);

- (b) approving an interim lending agreement to be entered into by the Applicant, as borrower, an interim lender (the “**Interim Lender**”), as lender, and granting a corresponding charge (the “**Interim Lending Charge**”) on the Property in favour of the Interim Lender in the maximum principal amount of \$800,000 (the “**Interim Financing**”) that shall rank in priority subsequent to the Administration Charge;
- (c) authorizing the Applicant, with the prior written approval of the Proposal Trustee, to make payments to certain suppliers in respect of obligations incurred prior to the Filing Date (as defined herein) where the Proposal Trustee is satisfied each such payment is necessary to ensure the continued supply of goods and services which are critical to the Applicant’s operations; and
- (d) extending the time for filing a proposal pursuant to subsection 50.4(9) of the BIA to June 27, 2025 (the “**Extension**”).

## **Part 2: FACTUAL BASIS**

### **A. The Applicant**

1. On April 14, 2025 (the “**Filing Date**”), the Applicant filed a Notice of Intention to Make a Proposal (the “**NOI**”) with the Office of the Superintendent of Bankruptcy Canada, and the Proposal Trustee was appointed trustee of the Applicant in relation to these proposal proceedings under the BIA (the “**Proposal Proceedings**”).
2. The Applicant is a British Columbia corporation that was incorporated in 2017 and is headquartered in Terrace, B.C. George Ian Thomas Munson is the Applicant’s sole director.<sup>1</sup>

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<sup>1</sup> Affidavit #1 of George Ian Thomas Munson, made May 2, 2025 (the “**Affidavit**”). Exhibit “A”.

3. Since its formation, the Applicant has operated as a full-service logging company with services including timber harvesting, road construction, and hauling.
4. The Applicant operates in northwest British Columbia, with work spanning the Skeena region and extending into more remote, adjacent northern areas. The Applicant currently employs 37 full-time staff, including equipment operators, truck drivers, mechanics, road builders, supervisors, and administrative personnel.<sup>2</sup>

**B. Assets**

5. The Applicant's physical assets consist primarily of numerous pieces of leased or financed equipment, vehicles and machinery.
6. Additionally, the Applicant has current assets totaling approximately \$955,099, including trade receivables, holdback receivables, deposits and work in progress. The Applicant did not have any cash on hand at the Filing Date.

***(i) Equipment***

7. The Applicant currently owns 74 pieces of heavy equipment and vehicles (collectively, the "**Equipment**").
8. With the assistance of the Proposal Trustee, the Applicant has prepared a spreadsheet (the "**Equipment Spreadsheet**") that lists: (a) each piece of Equipment; and (b) the approximate value of each piece of Equipment and the approximate amount of any charges encumbering each piece of Equipment (collectively, the "**Valuation Information**").
9. Attached as Exhibit "C" to the Affidavit is copy of the Equipment Spreadsheet redacted so as to remove the columns containing the Valuation Information due to the commercially sensitive nature of that information (the "**Redacted Spreadsheet**").<sup>3</sup>

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<sup>2</sup> Affidavit, para. 5.

<sup>3</sup> Affidavit, Exhibit "C".



10. Attached as Exhibit “B” to the Affidavit is a B.C. Personal Property Registry (the “**PPR**”), search in respect of the Applicant conducted on April 24, 2025 (the “**PPR Search**”).<sup>4</sup>
11. As indicated in the Redacted Spreadsheet and the PPR search, each piece of Equipment is financed by one of the following financing companies: (a) Caterpillar Financial Services Limited; (b) Inland Kenworth Ltd.; (c) Canadian Western Bank Leasing Inc.; (d) Dynamic Capital Equipment Finance Inc. (“**Dynamic Capital**”); (e) LBEL Inc.; (f) Inland Industries Ltd. Pension Plan and Inland Finance Ltd.; (g) 2416924 Alberta Ltd. (o/a Stride Capital) and Stride Capital Corp.; (h) Terrace Totem Ford Sales Ltd.; and (i) Progressive Capital Equipment Finance Inc. (collectively, the “**Equipment Financers**”).
12. Each of the Equipment Financers holds a security interest in the pieces of Equipment they financed, and those security interests are perfected by registration of a financing statement in the PPR in each case identifying the Equipment by serial-number.
13. With the exception of Progressive Capital Equipment Finance Inc. (a company related to Dynamic Capital) (“**Progressive**”), and Northern Savings Credit Union, each of which has a security interest in all of the Applicant’s present and after-acquired property, none of the Equipment Financers has a security interest in any of the Equipment apart from that which they financed.

### C. Liabilities

#### *(i) Secured debt and statutory liabilities*

14. The Applicant has secured debt and statutory liabilities totalling approximately \$8.7 million comprised of:
  - (a) approximately \$847,354.54 due and owing to Progressive as secured by its first-ranking security interest in all of the Applicant’s present and after-acquired property, being the amount of \$981,668.98 less a deposit held by Progressive of \$134,314.44;
  - (b) approximately \$5.10 million owed to the Equipment Financers; and

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<sup>4</sup> Affidavit, Exhibit “B”.



- (c) unremitted source deductions owing to CRA in the amount of approximately \$2.75 million.

15. The Applicant is current in payment of employees' wages.

**(iii) *Unsecured liabilities***

16. The Applicant has unsecured liabilities to various creditors totalling approximately \$3.52 million. This amount includes liabilities to, among others, government agencies, trade suppliers, utility and other service providers.

**D. Financial Challenges and Responses**

**(i) *Skeena Sawmills Ltd.***

17. Since inception, the Applicant maintained an economically dependent relationship with Skeena Sawmills Ltd. ("**Skeena**"), which was its primary customer.
18. In 2022, Skeena encountered financial difficulties directly affecting its ability to pay, which impacted the Applicant's cash flow and ability to operate profitably, and necessitated the Applicant's cessation of all operations for Skeena in January 2023.
19. In May 2023, the Applicant and Skeena entered into a Forbearance and Repayment Agreement (the "**Forbearance Agreement**") and the Applicant agreed to resume operations based on the terms of the agreement and under a partial advance system, however, by July 2023, Skeena had defaulted under the terms of the Forbearance Agreement forcing the Applicant to once again cease working for Skeena.
20. The Applicant filed two liens against Skeena under the *Forestry Service Providers Protection Act*, S.B.C. 2010, c. 16 in respect of the amounts owed to it for services provided.
21. In September 2023, Skeena and related entities were placed into receivership by their senior secured creditor. Unfortunately, the Applicant did not recover anything during the course of the receivership, thereby crystallizing a significant loss of accounts receivable.

**(ii) Cash Flow Issues**

22. Due to the ongoing cash flow constraints resulting from Skeena's non-payment, the Applicant sought to diversify its customer base by seeking new opportunities in the market.
23. In order to facilitate this transition and to provide immediate liquidity, the Applicant completed an equipment refinance and cash injection in March 2023 to, among other things, allow the Applicant to meet payroll, pay essential suppliers and generally continue operating.
24. By late 2023, the Applicant had successfully pivoted to working with new clients, however, its cash flow constraints continued and were compounded by, among other things:
- (a) increased monthly debt and interest payments resulting from the March 2023 refinancing;
  - (b) reduced logging rates across the region;
  - (c) increased legal costs and penalty fees;
  - (d) inflationary increases to all operational expenses;
  - (e) increased operational expenses resulting from the remote nature of the new contracts with new clients; and
  - (f) unprecedented weather events creating unforeseen transport and logistical complications.
25. The Applicant reported net revenues for the previous three fiscal years as follows: (i) 2022: \$1.4 million; (ii) 2023: (\$2.3 million); and (iii) 2024: (\$3 million).

**(iii) Canada Revenue Agency**

26. Due to its liquidity constraints, the Applicant failed to remit all required source deduction payments to CRA.
27. On or about January 26, 2023, the Applicant submitted a request to CRA for relief from accrued interest and penalties in order to provide breathing room for the company. The



request was denied, and the Applicant eventually negotiated a \$50,000 per month repayment plan for the approximately \$2 million then owing to CRA.

28. Although the payment plan was entered into as a means to facilitate payment to and forbearance by CRA, it also served to create additional cash flow constraints on the Applicant.
29. The Applicant was able to make the monthly payments for several months, however it soon became apparent that its cash flow were insufficient to allow it to keep current with remittances. As a result, a further \$800,000 in source deductions accumulated and CRA advised that unless the \$800,000 was paid immediately it would proceed with garnishment orders against the Applicant.
30. In the event of a successful proposal in these proceedings, the Applicant will be required to pay the amounts due for unremitted source deductions (including both the employee and employer portions of such amounts) in full within six months of Court approval, unless otherwise extended by CRA. If these Proposal Proceedings are unsuccessful, only the employee portion of this claim ranks as a deemed trust claim in priority to all other creditors.

*(iv) Operations*

31. The Applicant has three primary revenue sources at this time:
  - (a) 27,000m<sup>3</sup> project under contract in the Kitimat, BC area that employs 12 people (including the Applicant's employees and subcontractors). The project is expected to run for an additional three months and is anticipated to generate revenues of approximately \$1.8 million during that time;
  - (b) 10,000m<sup>3</sup> project under contract in the Kitwanga, BC area that employs 11 of the Applicant's employees. The project is expected to run for another month and is anticipated to generate revenues of approximately \$416,000 during that time; and
  - (c) the Applicant's timber sales – covering an area of 55,000m<sup>3</sup> in the Terrace, BC area that employs 17 people (including the Applicant's employees and subcontractors). These sales are expected to be completing over the next five months and are anticipated to generate approximate revenues of \$5.3 million.



32. The Applicant has an additional contract with an existing client under negotiation in respect of a 40,000m<sup>3</sup> project in the Terrace and Kitwanga, BC area that is expected to employ 18 of the Applicant's employees and generate approximately \$3 million over a three month period.
33. Additionally, the Applicant is in the process of preparing and submitting bids to secure the following projects in the near future:
- (a) 85,428m<sup>3</sup> project in the Kispiox, BC area that is expected to employ 23 people (including the Applicant's employees and subcontractors) and generate approximately \$8.4 million over a seven month period; and
  - (b) 24,748m<sup>3</sup> project in the Terrace, BC area that is expected to employ 11 of the Applicant's employees and generate approximately \$2.4 million over a three month period.
34. The Applicant intends to continue servicing its current projects and bid for the new projects during the course of these Proposal Proceedings.

**E. Payment of Pre-Filing Amounts to Critical Suppliers**

35. The Applicant has prepared a list of certain suppliers (the "**Critical Suppliers**") that it believes are fundamental to the Applicant's continued operations during these Proposal Proceedings. The Proposal Trustee is in the process of reviewing the proposed list of Critical Suppliers to determine if they are integral to the Applicant's ability to conduct business during the Proposal Proceedings. The Applicant seeks authorization from the Court to, with the written approval of the Proposal Trustee, make payments to the Critical Suppliers in respect of obligations incurred prior to the Filing Date where the Proposal Trustee is satisfied each such payment is necessary to ensure the continued supply of goods and services which are critical to the Applicant's operations (the "**Pre-Filing Amounts**").
- <sup>5</sup> There are no contracts between any of the Critical Suppliers and the Applicant. Rather, the goods and services provided by the Critical Suppliers were obtained pursuant to purchase orders.<sup>6</sup>

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<sup>5</sup> Affidavit, para. 17.

<sup>6</sup> Affidavit, para. 18.

36. The Applicant operates in a remote area of British Columbia, making it difficult, and in some cases impossible, to find alternative vendors that are able to ensure the timely, reliable and efficient provision of goods and services that the Applicant requires in order to generate revenue.<sup>7</sup>
37. The Critical Suppliers are integral to the Applicant's ability to operate uninterrupted, including for the following reasons:
- (a) in each case the supplier is: (i) the sole supplier of a particular good or service; (ii) the lowest cost option available to the Applicant; or (iii) possesses a particular specialized skillset that is not readily available in the region; and
  - (b) being required to source products from outside the local region will lead to crippling turnaround times and significant cost inefficiencies.
38. The Applicant has provided the Proposal Trustee with its list of Critical Suppliers, which the Proposal Trustee continues to review and consider to ensure that all suppliers provided for are, in fact, critical to the Applicant's ability to conduct its business during the course of these Proposal Proceedings in order to maximize recoveries for its stakeholders.
39. If the relief sought in respect of the Critical Suppliers is granted, the Applicant intends to work with the Proposal Trustee to finalize the list of Critical Suppliers and negotiate payments on account of the Pre-Filing Amounts as quickly as possible to facilitate the continued provision of goods and services to the Applicant.

These Proposal Proceedings

*(i) Cash Flow Forecast*

40. The Applicant, with the assistance of the Proposal Trustee, has produced a preliminary 16-week cash flow statement (the "**Cash Flow Forecast**") covering the period from April 20 through August 9, 2025 (the "**Initial Period**"). The Cash Flow Forecast is appended as Exhibit "D" to the Affidavit.<sup>8</sup>

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<sup>7</sup> Affidavit, para 19.

<sup>8</sup> Affidavit, Exhibit "D".



41. The Cash Flow Forecast reflects the costs for the Applicant to operate its business, and pay its professional advisors in relation to its restructuring process.

*(ii) Interim Lending*

42. As shown in the Cash Flow Forecast, there is an urgent need for interim financing in the amount of \$800,000 during the Initial Period in order for the Applicant to continue operating and fund its restructuring costs. The Interim Funding will also be used to make payments to Critical Suppliers as noted above.
43. The Applicant is facing severe liquidity issues and, absent immediate financing, will not be able to operate during these Proposal Proceedings, including in relation to its current projects, in which case there is no likelihood of a successful restructuring in the Proposal Proceedings.
44. The Applicant, in consultation with the Proposal Trustee, is in the process of finalizing a term sheet with certain prospective interim lenders in respect of the proposed Interim Financing on terms acceptable to it. Once complete, the Applicant shall serve the term sheet on all interested parties prior to the hearing of the Application.

*(iii) Administration Charge*

45. The Applicant is seeking the Administration Charge up to a maximum of \$150,000 to secure payment of the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee (McCarthy Tetrault LLP, “**MT**”), and counsel for the Applicant (Fasken Martineau DuMoulin LLP, “**Fasken**”).
46. The Administration Charge is proposed to rank in priority to all other security interests, trusts, liens, charges, encumbrances and other claims of secured creditors, statutory or otherwise, including all other court-ordered charges, other than claims any secured claims set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
47. The Applicant has worked with the Proposal Trustee and the other professionals to determine the appropriate amount of the Administration Charge. It is reflective of the



Applicant's liquidity constraints and the fact that if the Proposal Proceedings are unsuccessful, the Proposal Trustee will have a significant amount of work to do, including to transition these Proposal Proceedings to a bankruptcy.

48. Presently, Fasken and MT each hold retainers of \$25,000 and the Proposal Trustee holds a retainer in the amount of \$50,000. As shown in the Cash Flow Forecast, it is expected that the Applicant will have insufficient cash to increase these retainers during these Proposal Proceedings.
49. The Applicant believes that the involvement of the professionals is necessary in order to undertake a restructuring in these Proposal Proceedings.

**(iv) *Extension of time to file a Proposal***

50. The Applicant filed the NOI on April 14, 2025. Therefore, pursuant to subsection 50.4(8) of the BIA, the Applicant will be deemed to have been assigned into bankruptcy on May 14, 2025, if an extension of time to file a proposal is not granted by that date.
51. As described above, the Applicant will require the Extension to allow it to, among other things, continue to operate while it advances its restructuring and, if possible, make a proposal to its creditors.
52. The Proposal Trustee supports the Applicant's application for the Extension.

**Part 3: LEGAL BASIS**

1. The Applicant relies on:
  - (a) Part III, Division I of the BIA;
  - (b) Rules 8-5 of the *Supreme Court Civil Rules*;
  - (c) the inherent and equitable jurisdiction of this Court; and
  - (d) such further and other legal basis as counsel may advise and this Honourable Court may allow.

**A. Approval of the Administration Charge**

2. Section 64.2(1) of the BIA provides the Court with the authority to grant a charge in favour of financial, legal or other professionals involved in proposal proceedings under the BIA.
3. Administration and financial advisor charges have been approved in proposal proceedings where the participation of financial, legal and other professionals is necessary to ensure a successful proceeding under the BIA. Courts have considered the complexity of the applicant's business in assessing the reasonableness of the quantum of the charge sought.<sup>9</sup>
4. The participation of the Proposal Trustee, legal counsel for the Proposal Trustee and counsel for the Applicant is necessary to facilitate a restructuring in these Proposal Proceedings.
5. The quantum of the Administration Charge was determined in consultation with the Proposal Trustee and its counsel, and is reasonable in light of the complexity of the Applicant's business and the issues anticipated to arise in the context of these Proposal Proceedings, including in dealing with the Equipment Financers.
6. Other than any secured claims set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA, the Administration Charge is sought to rank in priority to all other security interests or deemed trusts, including any deemed trusts in favour of CRA.
7. In *Canada v. Canada North Group Inc.*, 2021 SCC 30 ("**Canada North**"), the Supreme Court of Canada Held that a Court has the jurisdiction to grant super-priority charges ranking in priority to statutory deemed trusts in order to fulfill the broad, remedial objectives of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**").
8. In *Canada North*, the Honourable Justice Côté endorsed the protections that are granted to professionals in insolvency proceedings:

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<sup>9</sup> *Danier Leather Inc. Re*, 2016 ONSC 1044, at paras. 57-58, citing *Colossus Minerals Inc. Re*, 2014 ONSC 514 at paras. 11-15.



[30] Super-priority charges in favour of the monitor, financiers and other professionals are required to derive the most value for the stakeholders. They are beneficial to all creditors ... The fact that they require super priority is just a part of “[t]he harsh reality . . . that lending is governed by the commercial imperatives of the lenders” (Indalex, at para. 59). It does not make commercial sense to act when there is a high level of risk involved. For a monitor and financiers to put themselves at risk to restructure and develop assets, only to later discover that a deemed trust supersedes all claims, smacks of unfairness. ...

[31] It is therefore clear that, in general, courts supervising a CCAA reorganization have the authority to order super-priority charges to facilitate the restructuring process. ...

9. While the BIA (as compared to the CCAA) is less flexible and more rules-based mechanism, proposals under the BIA serve the same remedial purpose as plans of arrangement under the CCAA. Accordingly, the granting of super-priority charges, where appropriate, ranking in priority to statutory deemed trusts is consistent with the contemporary thrust of legislative reform towards harmonizing aspects of insolvency law common to the two acts to the extent possible in order to encourage reorganization over liquidation.<sup>10</sup>
10. *Canada North* has been followed in proposal proceedings under the BIA, including in *Syndic de Chronométrique inc.*, 2023 QCCA 1295 where the Court of Appeal of Quebec held that a supervising Court in proposal proceedings has the authority to grant super-priority charges including where those charges are sought to rank in priority to statutory deemed trusts.<sup>11</sup>

## **B. Interim Lending**

11. Section 50.6(1) of the BIA provides that, on notice to the secured creditors who are likely to be affected, this Court may make an order declaring that all of a debtor company’s property is subject to a charge in favour of an interim lender who agrees to provide interim financing to the company.

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<sup>10</sup> *Ted Leroy Trucking [Century Services] Ltd., Re*, 2010 SCC 60, paras. 15, 24.

<sup>11</sup> *Syndic de Chronométrique inc.*, 2023 QCCA 1295 at para.



12. The Court may order that the security or charge rank in priority over the claim of any secured creditor of the debtor.<sup>12</sup>
13. In deciding whether to make an order, the Court is to consider, among other things, the following factors under section 50.6(5) of the BIA:
  - (a) the period during which the debtor is expected to be subject to proceedings under this Act;
  - (b) how the debtor's business and financial affairs are to be managed during the 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;
  - (f) whether any creditor would be materially prejudiced as a result of the security or charge; and
  - (g) the trustee's report referred to in paragraph 50(6)(b) or 50.4(2)(b), as the case may be.
14. As shown in the Cash Flow Forecast the Applicant is facing severe liquidity issues during the Initial Period and, absent immediate financing, the Applicant will not be able to operate during the pendency of these Proposal Proceedings. In that instance, there is no likelihood of a successful restructuring transaction being implemented.
15. The Proposal Trustee supports the Applicant obtaining Interim Financing on terms to be finalized in term sheet that will be served on all stakeholders in advance of the hearing of this application.

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<sup>12</sup> BIA, s. 50.6(3)

**C. Payment of Pre-Filing Amounts to Critical Suppliers**

16. Section 183 of the BIA invests this court with the power to exercise its inherent jurisdiction to control its own process.<sup>13</sup> Resort to statutory discretion may be made to further to objects of the BIA where the act does not provide a specific mechanism.<sup>14</sup>
17. Statutory discretion is maintained as an important but sparingly used tool, and there are two preconditions to its exercise:
  - (a) the BIA must be silent on a point or not have dealt with the matter exhaustively; and
  - (b) after balancing competing interests, the benefit of granting the relief must outweigh the relative prejudice to those affected by it.<sup>15</sup>
18. Debtors in proceedings under the CCAA have in many cases obtained orders permitting them to pay pre-filing debts where unusual circumstances warrant a departure from the normal rule.<sup>16</sup>
19. In *Eddie Bauer of Canada Inc., Re*, [2009] O.J. No. 2647 and *EarthFirst Canada Inc., Re*, 2009 ABQB 78 (“*EarthFirst*”) courts authorized the payment of pre-filing obligations to non-critical suppliers under the CCAA in order to prevent disruption of the debtor company’s operations and maximize the value of the debtor company’s business for the purposes of reorganization or realization. In these cases, and in *Futura Loyalty Group Inc., Re*, 2012 ONSC 6403 the courts engaged in a form of proportionality or cost-benefit analysis, weighing the cost of such payments against the benefit to the estate.<sup>17</sup>

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<sup>13</sup> *Petrowest Corporation v. Peace River Hydro Partners*, 2019 BCSC 2221, paras. 37, 38, and 48; citing *Pope & Talbot Ltd., Re*, 2009 BCSC 1552 [“*Pope & Talbot*”].

<sup>14</sup> *Pope & Talbot*, para. 120.

<sup>15</sup> *Pope & Talbot*, para. 120, citing *Residential Warranty Co. of Canada Inc., Re*, 2006 ABQB 236 (Topolniski J.)

<sup>16</sup> *Veris Gold Corp., Re*, 2015 BCSC 399, para. 51.

<sup>17</sup> *Futura*, para. 13.

20. The Applicant seeks an order pursuant to Section 183 of the BIA authorizing it to pay the Pre-Filing Amounts to the Critical Suppliers to ensure uninterrupted operations during the pendency of these Proposal Proceedings.
21. The Applicant submits that this Court may exercise its statutory discretion to make the order sought because:
  - (a) the BIA is silent and does not prohibit payment of the Pre-Filing Amounts; and
  - (b) the benefit to the Applicant's stakeholders, resulting from the continued operations of the Applicant's business is more than likely to outweigh any potential prejudice to such stakeholders.
22. The Applicant submits that payment of the Pre-Filing Amounts is appropriate in the circumstances as, among other things:
  - (a) there are no contracts between any of the Critical Suppliers and the Applicant that could be used to compel the respective providers to provide goods or services under the terms of the BIA; and
  - (b) the Applicant operates in a remote area of B.C. and there is a lack of alternative vendors who will be able to provide timely, reliable and efficient goods and services, all of which are crucial to the continued operations of the Applicant.

**D. Extension of time to file a Proposal**

23. The Applicant seeks the Extension to file a proposal in these proceedings to June 27, 2025.
24. Subsection 50.4(9) of the BIA provides that this court may grant an insolvent person an extension of time to file a proposal for a period not exceeding 45 days if satisfied that:
  - (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
  - (b) the insolvent person would likely be able to make a viable proposal if the extension applied for were granted; and
  - (c) no creditor would be materially prejudiced if the extension applied for were granted.



25. The Applicant has acted in good faith and with due diligence both prior to the commencement of, and during these proceedings.
26. The Extension is required to allow these Proposal Proceedings to continue and, accordingly, the likelihood of a viable restructuring is enhanced if the Extension is granted.

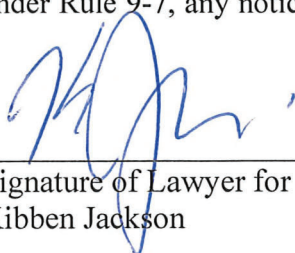
**Part 4: MATERIAL TO BE RELIED ON**

1. First Report of the Proposal Trustee to the Court, to be filed;
2. Affidavit #1 of George Ian Thomas Munson, made May 2, 2025; and
3. Such further and other material as counsel may advise and as this court deems admissible.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed Application Response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated: 05-May-2025

  
\_\_\_\_\_  
Signature of Lawyer for Applicant  
Kibben Jackson

***To be completed by the court only:***

Order made

- ☐ in the terms requested in paragraphs ..... of Part 1 of this Notice of Application
- ☐ with the following variations and additional terms:

Date:	.....
	.....
	.....
	.....
	.....
	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

The Solicitors for the Applicant are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 Telephone: +1 604 631 3131 Facsimile: +1 604 631 3232. (Reference: Mishaal Gill/342961.00001)



## APPENDIX

### THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- X none of the above

**SCHEDULE “A”**  
**SERVICE PARTIES**



## SERVICE PARTIES

Caterpillar Financial Services Limited 3457 Superior Court Unit 2 Oakville, ON L6L 0C4	Caterpillar Financial Services Limited Suite 400, 1122 International Blvd. Burlington, ON L7L 6Z8
Canadian Western Bank Leasing Inc. Suite 285 – 4000 Glenmore Court Calgary, AB T2C 4R8	Dynamic Capital Equipment Finance Inc. and Progressive Capital Equipment Finance Inc. 208 – 1824 Gordon Drive Kelowna, BC V1Y 0E2
LBEL Inc. 5035 South Service Road Burlington, ON L7L 6M9	Inland Industries Ltd. Pension Plan and Inland Finance Ltd. 2482 Douglas Road Burnaby, BC V4C 6C9
2416924 Alberta Ltd. o/a Stride Capital 415 – 3332 20 <sup>th</sup> Street SW Calgary, AB T2T 6T9	Terrace Totem Ford Sales Ltd. 4631 Keith Avenue Terrace, BC V8G 1K3
Northern Savings Credit Union 138 Third Avenue West Prince Rupert, BC V8J 1K8	Inland Kenworth Ltd. 3671 Highway 16 East Terrace, BC V8G 4M2

**SCHEDULE “B”**  
**DRAFT ORDER**



**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF  
ANTLER CREEK CONTRACTING LTD.

**ORDER MADE AFTER APPLICATION**

BEFORE )  
          ) THE HONOURABLE JUSTICE WEATHERILL )  
          ) ) May 7, 2025  
          )  
          )

ON THE APPLICATION OF Antler Creek Contracting Ltd. (the “**Applicant**”), coming on for hearing at Vancouver, British Columbia on this day, and on hearing Mishaal Gill, counsel for the Applicant, and those counsel listed in Schedule “A” attached hereto; AND UPON READING the material filed, including Affidavit #1 of George Ian Thomas Munson, sworn May 2, 2025 (the “**Affidavit**”) and the First Report of the Proposal Trustee, to be filed (the “**First Report**”);

THIS COURT ORDERS that:

Service

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

Administration Charge

2. Crowe MacKay & Company Ltd. (the “**Proposal Trustee**”), in its capacity as proposal trustee of the Applicant, counsel to the Proposal Trustee, and counsel to the Applicant shall be entitled to the benefit of and are hereby granted a charge (the “**Administration**”

**Charge**”) on the assets, property and undertakings of the Applicant (the “**Property**”), which charge shall not exceed the aggregate amount of \$150,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Proposal Trustee, its counsel, and counsel for the Applicant, both before and after the making of this Order, that are related to these proceedings, the Applicant’s proposal and the fulfillment of the Proposal Trustee’s duties in these proceedings and under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”). The Administration charge shall have the priority set out at paragraph 10 below.

3. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title and interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

#### Interim Financing

4. The Applicant is authorized and empowered to borrow under an interim financing agreement dated [●], 2025 (the “**Term Sheet**”) between the Applicant, as borrower, and [●] (the “**Interim Lender**”), as interim lender. The Applicant is authorized and empowered to perform its obligations under the Term Sheet (subject to obtaining such Court and other approvals as may be required in connection with any step or transaction contemplated therein) and to obtain and borrow under the Term Sheet, provided that borrowing under such credit facility shall not exceed the maximum principal amount of \$800,000.
5. The Applicant is authorized and empowered to execute and deliver such mortgages, charges, hypothecs, security documents and other definitive documents (collectively and together with the Term Sheet, the “**Definitive Documents**”), as are contemplated by the Term Sheet or as may reasonably be required by the Interim Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provisions of this Order.



6. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the “**Interim Lending Charge**”) on the Property, which charge shall not secure any obligations that exist prior to the granting of this Order. The Interim Lending Charge shall secure all obligations under any of the Definitive Documents and have the priority set out at paragraph 10 below.
7. Notwithstanding any other provisions of this Order, the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lending Charge or any of the Definitive Agreements.
8. All claims of the Interim Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any proposal under the BIA filed by the Applicant without the consent of the Interim Lender and the Interim Lender shall be treated as unaffected in any proposal filed by the Applicant under the BIA with respect to any obligations outstanding to the Interim Lender under or in respect of the Definitive Documents.

Validity and Priority of Charges Created by this Order

9. The Administration Charge and the Interim Lending Charge (together, the “**Charges**”) each constitute a mortgage, security interest, assignment by way of security and charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and other claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any person, other than any secured claims which may arise pursuant to subsection 14.06(7), 81.4(4), and 81.6(2) of the BIA.
10. The priorities as among the Charges shall be:
  - (a) First – the Administration Charge, up to the maximum amount of \$150,000; and
  - (b) Second – the Interim Lending Charge, up to the maximum principal amount of \$800,000.
11. Except as otherwise expressly provided for herein, or as may be approved by this court, the Applicant shall not grant any Encumbrances over any of the Property that rank in priority to, or *pari passu* with, the Charges, unless the Applicant also obtains the prior



written consent of the Interim Lender, the Proposal Trustee and the other beneficiaries of the Charges.

12. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the beneficiaries thereof shall not otherwise be limited or impaired in any way by:
- (a) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order(s) made pursuant to such applications;
  - (b) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (c) the filing by the Applicant for relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt and the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") to which the Applicant is a party, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it is a party; and the beneficiaries of the Charges shall not have any liability to any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
    - (ii) the payments made by the Applicant pursuant to this order and the granting of the Charges do not and will not constitute preferences, fraudulent

conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

13. The Charges created by this Order over leases of real property in Canada shall only be a charge of the Applicant's interest in such real property leases.
14. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Charges, or any one of them, amongst the various assets comprising the Property.

#### Payments to Critical Suppliers

15. Subject to the prior written approval of the Proposal Trustee, the Applicant is authorized, but not directed, to pay amounts owed to the Applicant's critical suppliers which were incurred prior to April 14, 2025, where the Proposal Trustee is satisfied payment of such amounts are necessary to ensure supply of goods or services which are critical to the Applicant's continued operations.

#### Extension of time to file a Proposal

16. The time for filing the Applicant's proposal under Part III of the BIA be and is hereby extended to 11:59 on June 30, 2025.

#### Miscellaneous

17. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this order and to assist the Applicant and the Proposal Trustee, and their respective agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Trustee, as an officer of this court, as may be necessary or desirable to give effect to this order, to assist the Applicant and the Trustee and their respective agents in carrying out the terms of this order.
18. Any interested party (including the Applicant and the Proposal Trustee) may apply to this Court to vary or amend this order on not less than seven days' notice to any other party or

parties likely to be affected by the order sought or upon such other notice, if any, as this court may order.

19. This order and all of its provisions are effective as of 12:01 a.m. Pacific Time on the date of this order.
20. Endorsement of this Order by counsel appearing on this application, other than counsel to the Applicant, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER:

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Signature of Mishaal Gill  
Lawyer for the Applicant

BY THE COURT

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REGISTRAR



**SCHEDULE “A”**

List of Counsel Appearing

<b>Name of Party</b>	<b>Counsel Name</b>
Crowe MacKay & Company Ltd.	Lance Williams

No. .  
Estate No. 11- 3211525  
Province of British Columbia  
Bankruptcy Division  
Prince Rupert Registry

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**ORDER MADE AFTER APPLICATION  
(ADMINISTRATION CHARGE ET. AL.)**

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Counsel: Mishaal Gill  
Matter No: 342961.00001