



Court No. VLC-S-B-250244  
Vancouver Registry  
Estate No. 11-3211525  
Province: British Columbia

**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.**

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

**SUPPLEMENTAL REPORT TO THE  
PROPOSAL TRUSTEE'S FIRST REPORT TO COURT**

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**May 12, 2025**

I. INTRODUCTION

1. On April 14, 2025 (the "**Filing Date**"), Antler Creek Contracting Ltd. (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 commenced these NOI proceedings. 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"**.
2. Crowe MacKay & Company Ltd. consented to act as trustee in these NOI proceedings (in such capacity, the "**Proposal Trustee**").
3. This supplemental report of the Proposal Trustee (the "**Supplemental Report**") should be read in conjunction with the Proposal Trustee's First Report, dated May 6, 2025 (the "**First Report**"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the First Report.

II. PURPOSE OF REPORT

4. The purpose of this Supplemental Report is to provide this Honourable Court and the Company's stakeholders with the following:
  - a. an overview of the newly proposed Interim Facility from 5352 Investments Ltd. ("**5352**"); and,
  - b. the Proposal Trustee's recommendation with respect to the Company's application for an order to, for among other things, authorize and empower the Company to obtain and borrow under an Interim Facility from 5352 in the principal amount not exceeding \$800,000 (the "**5352 Interim Facility**").

III. TERMS OF REFERENCE

5. In preparing this Supplemental 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, particularly Mr. George Ian Munson and Ms. Alissa Sullivan ("**Management**"). The information obtained from these sources is collectively referred to as 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 Supplemental Report.

7. Certain of the information referred to in this Supplemental 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. **5352 INTERIM FACILITY**

8. As contemplated by the Company's 16-week cash flow forecast (the "**16-Week Cash Flow**"), in order to finance ongoing operations and to meet obligations as they generally become due, the Company requires interim financing. The 16-Week Cash Flow demonstrates that the Company requires approximately \$800,000 in additional financing to meet its post-filing obligations as they become due.
9. In its First Report, the Proposal Trustee recommended that this Court authorize and empower the Company to obtain and borrow interim financing from Maynbridge Capital Inc. ("**Maynbridge**") in the principal amount not exceeding \$825,000 (the "**Maynbridge Interim Facility**").
10. To allow for sufficient notice to creditors, the Company adjourned all of the relief sought at the May 7, 2025 hearing (the "**May 7 Hearing**"), including the request to approve the Maynbridge Interim Facility.
11. Since the May 7 Hearing, due to unexpected constraints that delayed acceptance of the proposed interim financing, the Company was unable to finalize the Maynbridge Interim Facility. In particular, Maynbridge required payment of a deposit before internal credit approval could be sought, imposing an additional financial and time constraint on the financing that the Company could not accommodate given the immediacy of its liquidity crisis.
12. As a result of the inability to finalize the Maynbridge Interim Facility, the Company connected with 5352 to determine if amendments could be made to their proposed interim financing to make it competitive with the Maynbridge Interim Facility.
13. As a result of these negotiations, 5352 has proposed the following financing terms, which the Proposal Trustee has reviewed:
  - a. 5352 will advance a non-revolving loan facility up to the maximum principal amount of \$800,000;
  - b. 5352 will be granted a super priority charge (the "**Interim Lender's Charge**") over the assets, ranking in priority to any and all creditors, except the Administration Charge, including without limitation the Canada Revenue Agency and any other governmental body which could claim a charge on the Company's assets;

- c. the 5352 Interim Facility will bear interest at the rate of 17% per annum;
  - d. the 5352 Interim Facility will have a term of 6-months, with an option for the Company to renew for an additional six months for an additional fee of \$32,000; and,
  - e. the Company will pay a one-time non-refundable commitment fee of \$30,000.
- 14. The Company is working with 5352 in finalizing a term sheet to document the terms of the 5352 Interim Facility.
- 15. While the 5352 Interim Facility will incur an additional \$31,700 of borrowing costs over the 6-month term than the Maynbridge Interim Facility, the Proposal Trustee is of the opinion that the 5352 Interim Facility is favourable for the following reasons:
  - a. access to funding from 5352 would be immediate and only conditional on this Court's approval, whereas funding from Maynbridge is conditional on internal credit approval, and therefore not guaranteed;
  - b. Maynbridge requires a \$25,000 deposit prior to seeking internal credit approval, which 5352 does not require and the Company does not have the liquidity to currently pay given ongoing cash constraints; and
  - c. Maynbridge intends on sending personnel to the Company's facilities in order to assess and appraise the equipment, to be funded from the \$25,000 deposit. This could be costly and time intensive. 5352 does not require an assessment or appraisal of the Company's equipment.
- 16. Based on the proposed terms of the 5352 Interim Facility, the Proposal Trustee is of the view that the proposed terms are reasonable in the circumstances, and that the 5352 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 interim financing. The Proposal Trustee is of the opinion that, without interim financing, the likely result is a deemed automatic assignment into bankruptcy. It is unclear what recoveries (if any) will be forthcoming to the stakeholders of the Company in the event of a bankruptcy.
- 17. 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.
- 18. The Proposal Trustee is of the opinion that:
  - a. nothing has come to its attention which would suggest that, during these proceedings, the Company:
    - i. has not acted in good faith and with due diligence;
    - ii. would not properly manage its business and financial affairs; and
    - iii. does not have the confidence of its major creditors;
  - b. the 5352 Interim Facility increases the likelihood of the Company filing a viable proposal, and therefore a greater likelihood of an improved outcome for the Company's stakeholders.
- 19. As shown in the 16-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 5352 Interim Facility and the Interim Lender's Charge is required and reasonable in the circumstances.

**V. PROPOSAL TRUSTEE'S RECOMMENDATIONS**

- 20. Based on the current information made available by Management, the Proposal Trustee is of the humble opinion that the 5352 Interim Facility, and accompanying Interim Lender's Charge, will assist the Company in funding operations, and accordingly will provide the Company with a greater likelihood of filing a viable proposal. This would result in a greater recovery to the secured creditors and the general body of the unsecured creditors as opposed to an immediate bankruptcy.
- 21. For the above reasons, the Proposal Trustee respectfully recommends that this Honourable Court grant an Order which would authorize and empower the Company to obtain and borrow an Interim Facility from the 5352.

DATED AT the City of Vancouver, in the Province of British Columbia, this 12<sup>th</sup> day of May 2025.

**Crowe MacKay & Company Ltd.**

in its capacity as Licensed Insolvency Trustee of the Proposal of  
Antler Creek Contracting Ltd. and not in its personal capacity

Per:



Mr. Derek Lai, CPA, CMA, CIRP, LIT, CFE  
(Chartered Insolvency & Restructuring Professional)