B301-400059

COURT FILE NUMBER	**24-3400057** **25-3400059**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**

Clerk's Stamp

BANKRUPTCY AND INSOLVENCY
FILED
by Email
Aug 21, 2026
Calgary
FAILLITE ET INSOLVABILITÉ

C80566
MB

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ADVEN INC. AND ADVEN INDUSTRIES INC.

APPLICANTS	**ADVEN INC. AND ADVEN INDUSTRIES INC.**
DOCUMENT	**BENCH BRIEF OF THE APPLICANTS**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

McMillan LLP
#1700, 421 7th Avenue S.W.
Calgary, Alberta T2P 4K9

Attn: Tevia R.M. Jeffries / Preet Saini
Email: tevia.jeffries@mcmillan.ca /
preet.saini@mcmillan.ca

Tel: (403) 531-4716
Fax: (403) 531-4720
File: 327410

I. INTRODUCTION

1. This Brief is submitted on behalf of the Applicants, AdvEn Inc. [“**AdvEn**”] and AdvEn Industries Inc. [“**AdvEn Industries**” and together with AdvEn, the “**Applicants**” or the “**Companies**”] in connection with their application [the “**Application**”] for an order [the “**Order**”], *inter alia*:

   (a) extending the time within which the Applicants are required to file a proposal to their creditors under section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [the “**BIA**”] to October 3, 2026 [the “**Proposed Stay Extension**”];

   (b) directing that the proposal proceedings [the “**Proposal Proceedings**”] and estates of the Applicants shall be procedurally consolidated and shall continue under a single estate [each individual estate being an “**Estate**”, and the consolidated estate being the “**Consolidated Estate**”], authorizing and directing Alvarez & Marsal Canada Inc. in its capacity as proposal trustee [in such capacity, the “**Proposal Trustee**”] to administer the Estates making up the Consolidated Estate on a consolidated basis, and granting ancillary relief arising from the procedural consolidation of the Estates;

   (c) granting an administration charge to the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Applicants, as security for their professional fees and disbursements up to the maximum amount of $500,000 [the “**Administration Charge**”];

   (d) granting a charge to the Applicants' directors and officers as security for any obligations and liabilities they may incur as directors and officers of the Applicants after July 20, 2026, up to the maximum amount of $100,000 [the “**D&O Charge**”];

   (e) authorizing and empowering the Applicants to obtain and borrow under a credit facility [the “**Interim Facility**”] provided by 2841034 Alberta Ltd. [the “**Interim Lender**”] on the terms and conditions specified in the Interim Financing Agreement dated August 7, 2026, between the Applicants and the Interim Lender [the “**Interim Financing Agreement**”] up to the maximum amount of US$650,000 and granting a charge to the Interim Lender as security for all obligations of the Applicants under the Interim Financing Agreement [the “**Interim Lender's Charge**”];

(f) declaring that the Administration Charge, the D&O Charge and the Interim Lender's Charge [together, the "**Charges**"] are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against all of the Applicants' present and after-acquired assets, property and undertakings [the "**Property**"], including liens and trusts created by federal and provincial legislation, and that the Charges rank, as between themselves, in the following order of priority:

(I) first, the Administration Charge;

(II) second, the D&O Charge; and

(III) third, the Interim Lender's Charge;

(g) approving the sale and investment solicitation process substantially in the form attached as Schedule "A" to the Order [the "**SISP**"]; and

(h) such further and other relief as counsel may request and this Honourable Court may grant.

II. FACTS

2. The facts giving rise to this Application are set out in the First Affidavit of Ingo Mueller sworn August 8, 2026 [the "**First Mueller Affidavit**"]. The Applicants rely on the facts contained in the First Mueller Affidavit for the purposes of this Brief. Reference is also made to the First Report of the Proposal Trustee dated August 13, 2026 [the "**First Report**"]. Capitalized terms not defined herein shall have the meanings given to them in the First Mueller Affidavit.

III. ISSUES

3. The Applicants will establish that:

(a) the Proposed Stay Extension should be granted;

(b) the Proposal Proceedings should be procedurally consolidated;

(c) the Administration Charge should be granted;

(d) the D&O Charge should be granted;

(e) the Interim Financing Agreement should be approved and the Interim Lender's Charge should be granted;

(f) the Charges should rank in the order of priority requested by the Applicants; and

(g) the SISP should be approved.

IV. SUBMISSIONS

A. The Proposed Stay Extension Should be Granted

4. The Applicants filed their NOIs on July 20, 2026 [the "**Filing Date**"].[1] Pursuant to section 50.4(8) of the BIA, the Applicants are required to file a proposal within 30 days.[2] Accordingly, the Applicants must file a proposal on or before August 19, 2026, unless the Proposed Stay Extension is granted by this Court.

5. Pursuant to section 50.4(9) of the BIA, an insolvent person may apply to the Court for an order extending the time to file a proposal by a maximum of 45 days, provided the Court is 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 being applied for were granted; and

(c) no creditor would be materially prejudiced if the extension was granted.[3]

6. The Applicants respectfully submit that the test in section 50.4(9) of the BIA is satisfied and that the Proposed Stay Extension should be granted. Since the Filing Date, the Applicants have been working diligently and in good faith to advance these Proposal Proceedings, including by:

(a) providing the Proposal Trustee with access to the Applicants' books, records and financial information;

---

[1] First Mueller Affidavit at ⁋2.
[2] BIA, s 50.4(8). **[TAB 1]**
[3] BIA, s 50.4(9). **[TAB 1]**

(b) preparing, in consultation with the Proposal Trustee, an updated cash flow statement for the period of August 1, 2026, to October 2, 2026, a copy of which is attached as Appendix "D" to the First Report [the **"Updated CF Forecast**"];

(c) cooperating with the Proposal Trustee in carrying out its obligations under the BIA; and

(d) communicating with the Applicants' key creditors and stakeholders.[4]

7. The Applicants have also assisted the Proposal Trustee in developing the SISP.[5] The Proposed Stay Extension is necessary to allow for the administration of the SISP by the Proposal Trustee. The Proposal Trustee is supportive of the Proposed Stay Extension and of the view that the Proposed Stay Extension should serve to provide the Applicants with the time required to allow them to restructure their affairs.[6]

8. The Applicants believe that the Proposed Stay Extension is in the best interests of their creditors.[7] The Proposal Trustee is of the view that no stakeholder or creditor is likely to be materially prejudiced if the Proposed Stay Extension is granted.[8]

B. The Proposal Proceedings Should be Procedurally Consolidated

9. Section 183(1) of the BIA vests this Court with jurisdiction to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and other proceedings authorized by the BIA.[9] Courts have relied on section 183 of the BIA to grant a procedural order to consolidate multiple debtors' proposal proceedings.[10]

10. Courts have also recognized that it is appropriate to consolidate proposal proceedings where doing so will avoid a multiplicity of proceedings and will reduce costs due to multiple filings. This is particularly the case where the debtors are closely aligned.[11]

11. In *Electro Sonic Inc, Re*, the Ontario Superior Court of Justice held:

---

[4] First Mueller Affidavit at ⁋52.
[5] First Mueller Affidavit at ⁋64; First Report at ⁋32.
[6] First Report at ⁋90.
[7] First Mueller Affidavit at ⁋53.
[8] First Report at ⁋93.
[9] BIA, s 183(1). **[TAB 1]**
[10] *Gray Aqua Group of Companies, Re*, 2015 NBQB 107 at ⁋10. **[TAB 2]**
[11] *Mustang GP Ltd, Re,* 2015 ONSC 6562 at ⁋25 ["***Mustang***"]. **[TAB 3]**

> Bankruptcy proceedings in this Court operate subject to the general principle that the litigation process should secure the just, most expeditious and least expensive determination of every proceeding on its merits. One practical application of that general principle occurs when courts join together two closely-related bankruptcy proceedings so that they can proceed and be managed together. This procedural or administrative consolidation does not involve the substantive merger or consolidation of the bankruptcy estates, merely their procedural treatment together by the court. Administrative consolidation of two bankruptcy proceedings would be analogous to bringing two separate civil actions under common case management.[12]

12. AdvEn Industries is a wholly owned subsidiary of AdvEn. The Applicants share common management, common employees, and common banking arrangements, and all material business functions are performed on a consolidated basis.[13] Procedural consolidation will allow the Proposal Trustee to administer the Estates efficiently and cost-effectively, avoiding a duplication of administrative steps. As a practical matter, any going-concern transaction arising from the SISP would necessarily encompass the assets and operations of both Applicants.[14] The Proposal Trustee also recommends that the Court approve the procedural consolidation of the Proposal Proceedings.[15]

C. The Administration Charge Should be Granted

13. This Court has jurisdiction under section 64.2 of the BIA to grant the Administration Charge:[16]

> **64.2(1)** ***Court may order security or charge to cover certain costs:*** On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of
>
> > (a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;
> >
> > (b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division;

---

[12] *Electro Sonic Inc, Re*, 2014 ONSC 942 at ⁋4. **[TAB 4]**

[13] First Mueller Affidavit at ⁋6-7.

[14] First Mueller Affidavit at ⁋50.

[15] First Report at ⁋95.

[16] BIA, s 64.2. **[TAB 1]**

[…]

> **64.2(2)** ***Priority:*** The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

14. Administration Charges have been approved in BIA proposal proceedings where the participation of the beneficiaries of the proposed charge is necessary to maximize the chances of a successful restructuring.[17]

15. The proposed Administration Charge is supported by the following factors, among others:

    (a) the Applicants' creditors have received notice of the Application;

    (b) the continued participation of each beneficiary of the Administration Charge is essential to the preservation of the Applicants' enterprise value;[18]

    (c) the quantum of the Administration Charge has been estimated in consultation with the Proposal Trustee, having regard to the scope and expected duration of the Proposal Proceedings;[19] and

    (d) the Proposal Trustee is of the view that the Administration Charge is reasonable and appropriate to ensure the continued support of the respective professionals in the Applicants' efforts to restructure their affairs.[20]

D. The D&O Charge Should be Granted

16. This Court has jurisdiction under section 64.1 of the BIA to grant the proposed D&O Charge:[21]

> **64.1(1)** ***Security or charge relating to director's indemnification:*** On application by a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the property of the person is subject to a security or charge — in an amount that the court considers appropriate — in favour of any director or officer of the person to indemnify the director or officer

---

[17] *In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited*, 2024 ONSC 1651 at ⁋55 **[TAB 5]**; *Mustang* at ⁋33 **[TAB 3].**

[18] First Mueller Affidavit at ⁋55.

[19] First Mueller Affidavit at ⁋56.

[20] First Report at ⁋77.

[21] BIA, s 64.1. **[TAB 1]**

> against obligations and liabilities that they may incur as a director or officer after the filing of the notice of intention or the proposal, as the case may be.
>
> **64.1(2)** ***Priority:*** The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

17. Courts have granted directors' and officers' charges in BIA proposal proceedings where, among other things, the charge is available only to the extend that the directors and officers do not have coverage under existing policies or to the extent that those policies are insufficient, there is a possibility that the directors and officers may not continue their involvement without the protection of the proposed charge, and the proposal trustee is supportive of the charge.[22]

18. The Applicants maintain a D&O Insurance Policy which provides up to $5 million in aggregate coverage. However, the D&O Insurance Policy expires on September 30, 2026, contains certain exclusions and limitations for the coverage provided, and there is potential for there to be insufficient coverage in respect of claims against directors and officers.[23]

19. The continued participation of the Applicants' directors and officers is essential to preserving the value of the Applicants' business.[24] The Applicants' directors and officers have the technical and intimate knowledge, experience and relationships necessary to maximize the value of the Companies.[25] Absent the D&O Charge, there is uncertainty as to whether the Applicants' directors and officers will continue in their roles.[26]

20. The Proposal Trustee is supportive of the Proposed D&O Charge.[27] The Proposal Trustee has evaluated the proposed quantum of the D&O Charge and believes the amount is reasonable in the circumstances, considering, among other factors, payroll obligations, CRA obligations and the amount of similar Court-approved charges in comparable proceedings.[28]

---

[22] *Mustang* at ⁋35 **[TAB 3].**
[23] First Mueller Affidavit at ⁋60.
[24] First Mueller Affidavit at ⁋58.
[25] First Report at ⁋81.
[26] First Mueller Affidavit at ⁋60.
[27] First Report at ⁋90.
[28] First Report at ⁋82.

E. The Interim Financing Agreement Should be Approved and the Interim Lender's Charge Should be Granted

21. Section 50.6(1) of the BIA provides this Court with the authority to order a charge to secure interim financing advanced to a debtor on notice to the secured creditors who are likely to be affected by the charge in an amount that the Court considers appropriate, having regard to the debtor's cash flow statement and provided that such a charge does not secure an obligation that exists before the order is made.[29] Pursuant to section 50.6(3) of the BIA, the charge may rank in priority over the claim of any secured creditor of the debtor.[30]

22. In deciding to grant a charge securing interim financing, this Court is to consider the factors outlined in section 50.6(5) of the BIA:

(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 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.[31]

23. With respect to section 50.6(1) of the BIA:

(a) notice has been given to all known creditors;

---

[29] BIA, s 50.6(1). **[TAB 1]**
[30] BIA, s 50.6(3). **[TAB 1]**
[31] BIA, s 50.6(5). **[TAB 1]**

(b) the Applicants, with the assistance of the Proposal Trustee, have prepared the Updated CF Forecast; and

(c) the proposed Interim Lender's Charge does not secure any obligation that exists before the date of the requested Order.

24. With respect to section 50.6(5) of the BIA:

(a) as demonstrated by the Updated CF Forecast, the Applicants do not have sufficient funds to continue operations and carry out their restructuring efforts unless the Interim Facility is approved by this Court;

(b) the proposed Interim Facility will allow the Applicants to operate as a going concern, under the supervision of the Proposal Trustee and in accordance with the Updated CF Forecast throughout the Proposal Proceedings;

(c) the Applicants' existing secured creditors were consulted by the Applicants in the development of an interim financing structure and certain of these creditors established the Interim Lender for the purpose of providing the Interim Facility;[32]

(d) the Interim Facility will enable the Companies to operate while the Proposal Trustee conducts the SISP, the successful completion of which will enhance the prospects of a viable proposal being made to the Applicants' creditors;

(e) the Proposal Trustee supports the Companies' application for approval of the Interim Financing Agreement and the Interim Lender's Charge and does not consider the same to be unduly prejudicial to any other creditors of the Companies;[33] and

(f) it is a condition of the Interim Financing Agreement that the Interim Lender's Charge is granted.[34]

25. Courts have approved interim financing arrangements and granted priority charges in connection therewith over the objections of existing creditors, both in the context of

---

[32] First Report at ⁋43(e).
[33] First Report at ⁋85.
[34] First Mueller Affidavit at ⁋63.

proposal proceedings under the BIA and in restructurings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 [the "**CCAA**"]. With respect to proposal proceedings under the BIA:

(a) in *Eureka*[35] the Ontario Superior Court approved interim financing and granted a priority charge over the objections of a group of secured noteholders who argued, among other things, that there was no business to rehabilitate, that the interim financing would further erode their collateral, and that they had no confidence in management.[36] The court approved the interim financing notwithstanding those objections, noting that it was encouraged by the Proposal Trustee's support for the debtors' plan and finding that immediate liquidation would have dire effects whereas the interim financing held at least the prospect of increased value and a successful proposal;[37] and

(b) Alberta authorities, including *Mantle*[38] and *Greenfire*[39], further confirm that existing creditors may be primed where the proposed priority charge is necessary to preserve or enhance stakeholder value, is supported by the proposal trustee, and will not materially prejudice the affected creditors having regard to the debtor's available restructuring alternatives.

26. CCAA courts have also approved interim financing arrangements and granted priority charges in connection therewith over the objections of existing creditors, including when faced with competing interim financing proposals. Courts must determine which proposal is most appropriate and which will best serve the interests of the debtors' stakeholders as a whole by enhancing the prospect of a successful restructuring.[40]

27. Critically, the objection of an affected creditor is not determinative. Courts have emphasized that the situation of the creditors as a whole must be examined, and any

---

[35] *Eureka 93 Inc. et al. (Re)*, 2020 ONSC 1482 ["***Eureka***"]. **[TAB 6]**

[36] *Eureka* at ⁋3 and ⁋9. **[TAB 6]**

[37] *Eureka* at ⁋20 and ⁋24. **[TAB 6]**

[38] *Re Mantle Materials Group, Ltd*, 2023 ABKB 488 ["***Mantle***"] at ⁋14 and ⁋43. **[TAB 7]**

[39] *Athabasca Workforce Solutions Inc v Greenfire Oil & Gas Ltd,* 2021 ABCA 66 ["***Greenfire***"]. **[TAB 8]**

[40] *Great Basin Gold Ltd. (Re)*, 2012 BCSC 1459 at ⁋15 **[TAB 9]**; *Quest University Canada (Re)*, 2020 BCSC 318 **[TAB 10]**; *Tacora Resources Inc. (Re)*, 2023 ONSC 6126 **[TAB 11]**.

prejudice to some must be weighed against the positive effects of the interim financing on the restructuring as a whole:

> DIP financing may be approved even if it potentially prejudices some creditors, as long as the prejudice is outweighed by the benefit to all stakeholders.[41]
>
> DIP financing will be ordered where the benefits of financing to all stakeholders outweigh potential prejudice to some creditors. Even where it can be established that a creditor may be prejudiced, this factor is only one factor to be considered in equal measure with the other factors set out in section 11.2(4).[42]
>
> …I would note that material prejudice to secured creditors is only one factor and is to be considered in equal measure with the others listed in s. 11.2(4). It is not, as submitted by Fisgard, the case that as a matter of law the court cannot impose DIP financing over the objections of a secured creditor if there is prejudice to that secured creditor, particularly in light of the statutory test...[43]

28. Secure Property Development & Investment PLC ["**SPDI**"] and 2815793 Alberta Ltd. ["**281**"] have made various objections to date through counsel though have not filed any responding evidence. SPDI's and 281's objections include, among other things, that they have lost confidence in management[44], while at the same time arguing that 281's interim lending proposal ought to be preferred.[45]

29. As further described in the First Mueller Affidavit at ⁋30, SPDI is a secured creditor of the AdvEn Industries, with security granted in all present and after-acquired personal property of AdvEn Industries, excluding intellectual property. The approximate amount owing to SPDI is $837,273. Excelsior Management Limited ["**Excelsior**"] is a secured creditor of the Applicants, with security granted in all present and after-acquired personal property of the Applicants, excluding intellectual property. The approximate amount owing to Excelsior is $858,145.

30. There is a dispute regarding whether 281 has advanced any funds to the Applicants. 281 has registered security against all present and after-acquired personal property of the Applicants. Subject to the Proposal Trustee's review of the validity and enforceability of the creditors' security, the Applicants understand that only 281 is secured against the

---

[41] *Indiva Limited et al.*, 2024 ONSC 3426 at ⁋19. **[TAB 12]**
[42] *Pride Group Holdings Inc. et al.*, 2024 ONSC 2026 at ⁋27. **[TAB 13]**
[43] *Pacific Shores Resort & Spa Ltd. (Re)*, 2011 BCSC 1775 at ⁋49. **[TAB 14]**
[44] First Report at Appendix G.
[45] Affidavit of Amanda Urban, sworn August 17, 2026.

Companies' intellectual property. Section 3.1 of each of the SPDI Security Agreements, copies of which are attached as Exhibit G to the First Mueller Affidavit, specifically excludes intellectual property.

31. On August 7, 2026, the Applicants and the Interim Lender signed an agreement for interim financing.[46]

32. On August 17, 2026, 281 provided an interim funding agreement to the Proposal Trustee [the "**281 Term Sheet**"] providing for similar terms to the August 7 agreement with the Interim Lender but with slightly more favourable terms. However, such offer required an "enhanced SISP", with no detail about what such enhancement would entail.

33. As reflected in the Companies' unaudited financial statements for the fiscal year ended December 31, 2025, the book value of the Companies' assets is approximately $11.4 million. The primary asset category is property, plant and equipment of approximately $8.8 million.[47] The Applicants are also of the view that their business, and specifically their ASAC and ESAC technology platforms and associated intellectual property, has significant going-concern value that would be preserved through a successful restructuring.[48]

34. The objections of SPDI and, to the extent relevant, 281, should not be permitted to delay or derail a restructuring process designed to preserve value for the Companies' stakeholders. 281 has offered an interim financing, which appears coupled with undisclosed requirements to amend a SISP which already provides significant protections to ensure a fair process.

35. Each of the factors under section 50.6(5) of the BIA is satisfied, and the Proposal Trustee is supportive of the relief sought by the Companies. The aggregate claims of SPDI and 281 represent a fraction of the book value of the Companies' assets. Moreover, SPDI does not hold security over the Companies' intellectual property, which is expected to be a significant source of going-concern value that these Proposal Proceedings and the SISP

[46] First Mueller Affidavit at Ex. Q.
[47] First Report at ⁋19-20.
[48] First Mueller Affidavit at ⁋47.

are designed to realize. The Applicants respectfully submit that the Interim Facility should be approved and the Interim Lender's Charge should be granted.

F. The Charges Should Rank in the Order of Priority Requested by the Applicants

36. The Applicants request that the priorities of the Charges rank, as between themselves, in the following order of priority:

    (a) first, the Administration Charge;

    (b) second, the D&O Charge; and

    (c) third, the Interim Lender's Charge.

37. This Court may order, pursuant to section 50.6(3), 64.1(2) and 64.2(2) of the BIA, that the Charges rank in priority over the claim of any secured creditor of the Applicants.

38. The Proposal Trustee is supportive of this proposed priority ranking of the Charges.[49]

G. The SISP Should be Approved

39. In deciding whether to approve a proposed SISP, this Court is to consider the factors which a court will take into account when considering the approval of a proposed sale.[50] For a proposal proceeding under the BIA, these factors are set out in section 65.13(4) of the BIA:

    (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

    (b) whether the trustee approved the process leading to the proposed sale or disposition;

    (c) whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

---

[49] First Report at ⁋90.

[50] *Field Aviation Company et al*, 2026 ONSC 3498 at ⁋34 **[TAB 15]**; *Danier Leather Inc. (Re)*, 2016 ONSC 1044 at ⁋21-24 **[TAB 16]**.

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.[51]

40. The Applicants submit that this Court should approve the SISP for several reasons, including:

(a) given the Applicants' liquidity position and the maturity of their outstanding indebtedness, a going-concern sale or investment transaction is necessary to preserve the value of the Applicants' business and technology;[52]

(b) the SISP is intended to solicit interest in, and opportunities for, the acquisition of or investment in all of the property of the Companies and/or their business operations;[53]

(c) the Proposal Trustee is solely responsible for administering and carrying out the terms and conditions of the SISP;[54]

(d) the SISP provides for an approximate five-week marketing process to sufficiently expose the opportunity to the market and, in the event there is *bona fide* interest, an additional two-week period will allow qualified parties additional time to conduct diligence;[55] and

(e) the SISP contains protections to the process, including addressing the potential participation of the Interim Lender, the sharing of information with officers, directors, and employees of, and other non-arm's length parties in relation to, the Companies, expressly included to preserve the integrity of the SISP.[56]

---

[51] BIA, s 65.13(4). **[TAB 1]**
[52] First Mueller Affidavit at ⁋66.
[53] First Report at ⁋46.
[54] First Report at ⁋48.
[55] First Report at ⁋73.
[56] First Report at ⁋70-72.

41. The Applicants also understand that the Proposal Trustee supports the proposed SISP and is of the view that a bankruptcy could result in little to no recoveries for creditors due to the highly specialized nature of the Companies' business.[57]

42. Considering the above, it is in the best interests of the Companies and their stakeholders to carry out the SISP. A transaction that preserves the going concern value of the Companies' business through the Proposal Proceedings will likely achieve a better long-term result for the Companies' stakeholders as compared to a forced liquidation of the Companies' assets.

V. CONCLUSION

43. For the reasons set out above, the Applicants respectfully request that this Honourable Court grant the relief sought in the Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 19th day of August 2026.

McMillan LLP

Per: _____
Tevia R.M. Jeffries
Preet Saini
Counsel for the Applicants

[57] First Report at ⁋43 and ⁋72.