COURT OF APPEAL OF ALBERTA

Form AP-1
[RULES 14.8 AND 14.12]

Registrar's Stamp



COURT OF APPEAL FILE NUMBER:	2601-0256AC
TRIAL COURT FILE NUMBERS:	24-3400057 and 25-3400059 (Estate No. 25-3400059; Commercial List No. B301-400059)
REGISTRY OFFICE:	CALGARY
	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.
STATUS ON APPEAL:	RESPONDENTS
SECURED CREDITOR:	SECURE PROPERTY DEVELOPMENT & INVESTMENT PLC
STATUS ON APPEAL:	APPELLANT
SECURED CREDITOR:	2815793 ALBERTA LTD.
STATUS ON APPEAL:	APPELLANT
DOCUMENT:	**CIVIL NOTICE OF APPEAL**
APPELLANTS' ADDRESS FOR SERVICE AND CONTACT INFORMATION:	**BLUE ROCK LAW LLP** Barristers and Solicitors 700 – 215 9 Avenue SW Calgary, Alberta T2P 1K3 Attention: David W. Mann, KC / Scott Chimuk Telephone: (587) 317-0643 / (587) 390-7041 Fax: (825) 414-0831 Email: david.mann@bluerocklaw.com scott.chimuk@bluerocklaw.com File No. 2315-00001

WARNING
To the Respondents: If you do not respond to this appeal as provided for in the *Alberta Rules of Court*, the appeal will be decided in your absence and without your input.

1. **Particulars of Judgment, Order or Decision Appealed From:**

Date pronounced: August 19, 2026

Date entered: August 21, 2026

Date served: August 21, 2026 (filed copy circulated by counsel for the Respondents)

Official neutral citation of reasons for decision, if any: None. Reasons were delivered orally on August 19, 2026; a transcript has been ordered.

2. **Indicate where the matter originated:**

☒ Court of King's Bench

Judicial Centre: Calgary (order pronounced at Edmonton by Webex)

Justice: The Honourable Justice Dunlop

On appeal from a King's Bench Applications Judge or Justice of the Court of Justice?

☐ Yes ☒ No

☐ Board, Tribunal or Professional Discipline Body — Specify Body: N/A

3. **Details of Permission to Appeal, if required (Rules 14.5 and 14.12(3)(a)):**

☒ Permission not required, or ☐ Granted: Date: _____ Justice: _____

Note. This appeal is taken under section 193(c) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "*BIA*"), the property involved in the appeal exceeding $10,000 in value, the Order under appeal having declared that court-ordered charges of not less than US$650,000 and CAD $600,000 rank in priority to the Appellants' registered security over all of the property of the Respondents AdvEn Inc. and AdvEn Industries Inc., and, in the alternative, under section 193(a) of the *BIA*, and no permission is required under Rule 14.5. To the extent that permission is required, the Appellants apply in the alternative for leave to appeal under section 193(e) of the *BIA*, and this Notice of Appeal is filed as and includes that application for leave in accordance with Rule 31(2) of the *Bankruptcy and Insolvency General Rules*, CRC, c 368. The Appellants reserve the right to file a separate application for permission to appeal in Form AP-3 and a memorandum of argument in support.

4. **Portion being appealed (Rule 14.12(2)(c)):**

☐ Whole, or ☒ Only specific parts (if specific part, indicate which part):

Paragraphs 1 and 10 to 26 of the Order pronounced August 19, 2026 and entered August 21, 2026 (the "**Order**"), namely: paragraph 1, deeming the time for service of the application good and sufficient, declaring the application properly returnable on August

19, 2026 and limiting the persons entitled to service; and the provisions granting an Administration Charge of $500,000 and a D&O Charge of $100,000 (paragraphs 10 to 12); authorizing the Respondents AdvEn Inc. and AdvEn Industries Inc. (together, "**AdvEn**") to borrow up to US$650,000 from 2841034 Alberta Ltd. (the "**Interim Lender**") under an interim financing agreement dated August 19, 2026 and granting the Interim Lender's Charge (paragraphs 13 to 17); declaring that the Administration Charge, the D&O Charge and the Interim Lender's Charge rank in priority to all other security interests, charges and claims of secured creditors, including the registered security of the Appellants (paragraphs 18 to 22); and approving the sale and investment solicitation process attached as Schedule "A" to the Order (the "**SISP**") (paragraphs 23 to 26). The Appellants do not appeal paragraph 9 of the Order, which extends the time within which AdvEn is required to file a proposal to October 3, 2026; that extension is to remain in force notwithstanding this appeal.

5. **Provide a brief description of the issues:**

6. The Appellants, Secure Property Development & Investment PLC ("**SPDI**") and 2815793 Alberta Ltd. ("**281**"), are registered secured creditors of AdvEn. SPDI is the first-registered secured creditor of AdvEn Industries Inc.; 281 holds registered security over all of the present and after-acquired personal property of both AdvEn entities, including their intellectual property. On August 19, 2026, Justice Dunlop granted AdvEn's application, served August 10, 2026, in its proceedings under Division I of Part III of the *BIA*, refused the Appellants' request for a short adjournment to file responding evidence, and made the Order. In doing so, Justice Dunlop erred in law, in principle, or in mixed fact and law, in the following respects:

   a. **Procedural fairness: the adjournment, the day-of-hearing agreement and the refused undertakings.** Justice Dunlop erred in refusing the Appellants' request for an adjournment of seven to ten days to file responding evidence, and in proceeding to approve, under section 50.6 of the *BIA*, an interim financing agreement dated August 19, 2026 that was not the agreement dated August 7, 2026 identified in AdvEn's application, that was first placed in evidence by two affidavits sworn on the day of the hearing, and of which two inconsistent versions bearing the same date were before the Court, in circumstances where AdvEn had on the morning of the hearing refused to answer undertakings, given on the cross-examination of its only deponent, going to the identity and provenance of the Interim Lender and to the personal interest of AdvEn's chief executive officer in the outcome. The Appellants, being the secured creditors whose registered security was to be primed, were denied the notice and the opportunity to respond required by sections 50.6(1), 64.1(1) and 64.2(1) of the *BIA* and by the principles of procedural fairness. For the same reasons, Justice Dunlop erred in deeming, by paragraph 1 of the Order, the time for service of the application to be good and sufficient and the application to be properly returnable on August 19, 2026, when the interim financing agreement approved was not the agreement served with the application and was first disclosed on the day of the hearing.

b. **Failure to exercise the gatekeeper function: a non-arm's-length lender and an unanalysed alternative facility.** Justice Dunlop erred in principle in approving a super-priority charge in favour of the Interim Lender, a corporation incorporated on August 5, 2026, fourteen days before the hearing, whose only directors were then or had recently been directors of the Appellant 281 and one of whom is a principal of another existing secured creditor of AdvEn, without considering the provenance and independence of the Interim Lender; the interest of AdvEn's chief executive officer in fifteen percent of the equity of a successor company in the event of a successful bid by the Interim Lender, which AdvEn's affidavit evidence did not disclose; or the executed alternative interim financing agreement from 281, for a greater amount on terms AdvEn acknowledged to be more favourable, with funds in trust, which was in evidence before the Court and, so far as appears, was not analysed.

c. **Material prejudice found without evidence of value.** Justice Dunlop erred in finding, or in proceeding on the basis, that no creditor would be materially prejudiced by the Administration Charge, the D&O Charge and the Interim Lender's Charge within the meaning of section 50.6(5)(f) of the *BIA*, and in failing to consider the nature and value of AdvEn's property as required by section 50.6(5)(e), in the absence of any evidence of the realizable value of the property over which the Appellants hold security, where the only financial information was unaudited book value, where the Proposal Trustee's report did not state that no creditor would be materially prejudiced by the Charges, and where the Proposal Trustee's own evidence was that a bankruptcy could yield little to no recoveries to creditors.

d. **The "confidence of major creditors" factor.** Justice Dunlop erred in treating the willingness of the Interim Lender's own principals to lend as evidence that AdvEn's management has the confidence of its major creditors within the meaning of section 50.6(5)(c) of the *BIA*, when the Appellants, being AdvEn's senior registered secured creditors and the only creditors to address the Court, had stated in the record that they had lost confidence in management and had objected to the relief in whole.

e. **The SISP: a deemed Qualified Bid for the Interim Lender.** Justice Dunlop erred in approving a SISP which provides, inter alia: (a) at paragraph 13 of Schedule "A", a prohibition enjoining a Potential Bidder or Bidder from speaking with any stakeholders of AdvEn, which constitutes a material overreach in the formality of the sales process that serves to (i) bind third parties, (ii) cast a chill on parties seeking to discuss potential transactions with other stakeholders, and (iii) undermine confidence that a uniform playing field is created, executed, and complied with in a competitive bidding process; and (b) at paragraph 40(a) of Schedule "A", that any bid submitted by the Interim Lender "shall be deemed to constitute a Qualified Bid notwithstanding the requirements set forth in this SISP", and which reserves to the Interim Lender a credit bid, without considering the effect

of those provisions, and of the interest of AdvEn's chief executive officer in a successful bid by the Interim Lender, on the fairness, transparency and integrity of the process and on its capacity to attract superior third-party offers.

f. **Quantum of the Administration and D&O Charges.** Justice Dunlop erred in granting an Administration Charge of $500,000 and a D&O Charge of $100,000, ranking ahead of all secured creditors, without considering whether those amounts were reasonably necessary having regard to AdvEn's cash-flow statement, in which professional fees are the largest single disbursement, and to the claims of the secured creditors to be primed, and in granting a D&O Charge that indemnifies, among others, a chief executive officer with a personal interest in the outcome of the SISP.

g. Such further and other grounds as counsel may advise upon receipt and review of the transcript of the application heard August 19, 2026 and the balance of the record.

7. **The relief claimed:**

a. an order allowing the appeal and setting aside paragraphs 1 and 10 to 26 of the Order, paragraph 9 of the Order (extending the time within which AdvEn is required to file a proposal to October 3, 2026) remaining in full force and effect;

b. in the alternative, an order setting aside paragraphs 1 and 10 to 26 of the Order and remitting AdvEn's application for approval of interim financing, the Administration Charge, the D&O Charge, the Interim Lender's Charge and the SISP to the Court of King's Bench for rehearing on a full record, with such directions as this Honourable Court considers just, paragraph 9 of the Order remaining in full force and effect pending that rehearing;

c. a declaration that, pursuant to section 195 of the *BIA*, all proceedings under paragraphs 1 and 10 to 26 of the Order are stayed until this appeal is disposed of, or such order varying that stay as this Honourable Court considers just, for greater certainty without affecting the extension of time granted by paragraph 9 of the Order;

d. to the extent that permission to appeal is required, permission to appeal pursuant to section 193(e) of the *BIA*;

e. costs of this appeal; and

f. such further and other relief as this Honourable Court may deem just.

8. **Is this appeal required to be dealt with as a fast track appeal? (Rule 14.14)** ☐ Yes ☒ No

The Order under appeal finally determines the priority of the Charges over the Appellants' registered security and is not among the classes of decision listed in Rule 14.14.

9. **Does this appeal involve the custody, access, parenting or support of a child? (Rule 14.14(2)(b))** ☐ Yes ☒ No

10. **Will an application be made to expedite this appeal?** ☒ Yes ☐ No

The SISP commenced on August 21, 2026, with Phase I bids due September 25, 2026 and a sale approval hearing scheduled for the week of November 2, 2026, and AdvEn has been authorized to borrow under the Interim Facility secured by a charge ranking ahead of the Appellants' security. The Appellants intend to seek an expedited hearing and to address the stay of proceedings arising under section 195 of the *BIA*.

11. **Is Judicial Dispute Resolution with a view to settlement or crystallization of issues appropriate? (Rule 14.60)** ☐ Yes ☒ No

12. **Could this matter be decided without oral argument? (Rule 14.32(2))** ☐ Yes ☒ No

13. **Are there any restricted access orders or statutory provisions that affect the privacy of this file? (Rules 6.29, 14.12(2)(e), 14.83)** ☐ Yes ☒ No

14. **List respondent or counsel for the respondents, with contact information:**

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15. **Attachments (check as applicable):**

☒ Order or judgment under appeal if available (not reasons for decision) (Rule 14.12(3))

☐ Earlier order of Applications Judge, etc. (Rule 14.18(1)(c))

☐ Order granting permission to appeal (Rule 14.12(3)(a))

☐ Copy of any restricted access order (Rule 14.12(2)(e))