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BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

**THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION, IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF:

PATHWAY CONSTRUCTION LTD.

**Second Report of the Proposal Trustee pursuant to section 58(d) of the
Bankruptcy and Insolvency Act (“BIA”)**

BDO Canada Limited, acting in its capacity as Licensed Insolvency Trustee (the “Trustee”) in the matter of the proposal of Pathway Construction Ltd. (collectively referred to as “Pathway” or the “Company”), hereby reports to the Court (as defined herein) as follows:

1. That on September 28, 2023, Pathway filed a Notice of Intention to Make a Proposal (“Notice of Intention”) pursuant to section 50.4 of the BIA. Copies of the Notice of Intention, cash flow statement and consent letter of the Trustee are attached and marked as **Exhibit “A”**. Furthermore, attached and marked as **Exhibit “B”** is the Certificate of Filing of the Notice of Intention as issued by the Office of the Superintendent of Bankruptcy (“Superintendent of Bankruptcy”).
2. That on October 27, 2023, Pathway made an application with the Supreme Court of Newfoundland and Labrador in Bankruptcy (the “Court”) for an order extending the amount of time for the Company to file its proposal to creditors.
3. That on October 27, 2023, the Court issued an order to extend the time for Pathway to file a proposal pursuant to section 50.4(9) of the BIA to and including December 13, 2023 (the “Extension Order”). A copy of the Extension Order is attached and marked **Exhibit “C”**.
4. That on December 11, 2023, the Company filed with the Trustee a revised statement of projected cash flow, extended to cover the time period anticipated to obtain Court ratification of the Proposal. Pathway’s revised statement of projected cash flow, together with its report and notes to same, and the Trustee’s Report on the revised statement of projected cash flow, is attached and marked as **Exhibit “D”**.
5. That on December 12, 2023, Pathway did lodge a proposal for the general benefit of its creditors (the “Proposal”) with the Trustee, a copy of which is attached and marked **Exhibit “E”**, and that the Proposal was filed with the Official Receiver on December 12, 2023. Attached and marked as **Exhibit “F”** is a copy of the Certificate of Filing a Proposal dated December 12, 2023 as issued by the Superintendent of Bankruptcy.
6. That on December 18 and December 19, 2023, the Trustee gave notice to every known creditor affected by the Proposal, of the calling of a meeting of creditors (the “Meeting of Creditors”) to be held on January 11, 2024 to consider the Proposal (the “Notice”), a copy of which is attached and marked as **Exhibit “G”**. Attached and marked as **Exhibit “H”** is a copy of the Affidavit of Mailing of the Notice.

7. That the Notice included a condensed statement of the assets and liabilities of the Company, a cash flow statement, a list of the creditors affected by the Proposal having claims amounting to two hundred and fifty dollars (\$250) or more and showing the amounts of their claims, a copy of the Proposal, a form of proof of claim and proxy in blank, a voting letter and the Trustee's report to the creditors. A true copy of the Trustee's report to creditors (the "Report to Creditors") is attached and marked **Exhibit "I"**.
8. That prior to the Meeting of Creditors, as detailed within the Report to Creditors, the Trustee made a detailed and careful inquiry into the liabilities of Pathway, its assets, and the value thereof, its conduct and the causes of its insolvency.
9. That the Meeting of Creditors was held on January 11, 2024 and was presided over by the Trustee. At the meeting the Trustee verbally reported to creditors on the terms of the Company's Proposal. During the course of the meeting, at the request of Stephanie MacInnis-Commeau representing the Canada Revenue Agency, Pathway consented to the removal of clause 3.8 of the Proposal pertaining to director's liability. The Chairman requested a motion for a vote on the Proposal as modified during the Meeting of Creditors and, as a result of the vote by special resolution, the modified Proposal of Pathway was accepted by creditors. Attached and marked as **Exhibit "J"** is a copy of the Proposal as accepted by creditors. Attached and marked as **Exhibit "K"** is a copy of the Minutes of the Meeting of Creditors held on January 11, 2024 together with a schedule detailing the result of the vote on the Proposal.
10. That the Trustee is of the opinion that its Report to Creditors sets out the following pursuant to a review of Pathway's books and records:
 - a. the assets of the Company and their estimated realizable value in a forced liquidation scenario; and
 - b. the liabilities of the Company, including a breakdown by secured, preferred and unsecured claims.
11. The liabilities of the Company as indicated in accordance with proof of claims logged with the Trustee is attached hereto as **Exhibit "L"**.
12. That the Trustee is of the opinion that the causes of insolvency are:
 - a. In early 2022, Pathway completed a project for Dandy Dans Fish Market Ltd. ("Dandy Dans"). Pathway incurred costs of \$461,930 and expected to realize revenue of \$535,726. Dandy Dans made payments totaling \$70,000 leaving \$529,676 outstanding, including \$63,950 in interest. Pathway made significant attempts to recover this amount which remains outstanding;
 - b. Not receiving the amount outstanding from Dandy Dans has had a profoundly detrimental impact on the Company's cash flows, hindering its ability to cover essential operational costs. As a result, Pathway was forced to dip into its reserves or take on debt to bridge the financial gap. The Company's financial stability steadily eroded leading to the inability to sustain day-to-day operations and service outstanding debts, forcing the Company into insolvency;
 - c. Reduced activity in the construction industry and loss of significant contracts during the COVID-19 pandemic, as well as the surge in project costs due to inflation.
13. That the Trustee is also of the opinion that:
 - a. no other fact, matter or circumstance has been brought to the attention of the Trustee that would justify the Court in refusing to approve the Proposal of Pathway; and
 - b. the conduct of Pathway is not subject to censure.
14. That the Trustee is further of the opinion that the Proposal provides an opportunity for Unsecured Creditors to achieve a higher recovery on the outstanding debt than would otherwise be achieved from a forced liquidation of assets in a bankruptcy administration.

15. That the Trustee did this day forward to the Superintendent of Bankruptcy a copy of this report.

All of which is submitted to this Court on this 21st day of January 2024.

BDO CANADA LIMITED

Acting in its capacity as Licensed Insolvency Trustee
Proposal of Pathway Construction Ltd.
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read "Neil Jones", written in a cursive style.

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “A”
to the Second Report of the Proposal Trustee

District of: Newfoundland and Labrador
Division No. 01 - St. John's
Court No. 01
Estate No.

- FORM 33 -

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

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

Take notice that:

1. I, Pathway Construction Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. BDO Canada Limited / BDO Canada Limitée of Suite 201, 255 Lacewood Drive, Halifax, NS, B3M 4G2, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Clarenville in the Province of Newfoundland and Labrador, this 28th day of September 2023.



Pathway Construction Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Newfoundland and Labrador
 Division No. 01 - St. John's
 Court No. 01
 Estate No.

- FORM 33 -

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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pathway Construction Ltd.

of the Town of Clarenville, in the Province of Newfoundland and Labrador

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Adams Electrical Inc	211 Nicholsville Rd. Deer Lake NL A8A 1W5		2,300.14
Allnorth Consultants Ltd.	PO Box 968 Prince George BC V2L 4V1		1,343.13
Allstar Rebar Ltd	PO Box 3244, Stn Main Paradise NL A1L 1A0		9,337.62
Apex Construction Specialties Inc.	P O Box 8776, Stn A St. John's NL A1B 3T2		2,007.26
ARROW Construction Products Limited	P. O. Box 760 Fredericton, NB E3B 5B4		13,586.50
Atlantic Industries Ltd.	32 York Street P O Box 6161 Sackville NB E4L 1G6		7,946.73
Atlantic Ready Mix	PO Box 353 Corner Brook NL A2H 6E3		33,977.30
Bank of Montreal	St John's NL		450,000.00
Benley Ventures Ltd.	P.O. Box 123 Baytona NL A0G 2J0		20,240.00
BFL Canada Risk and Insurance Services Inc	181 University Ave Suite 1700 Toronto ON M5H 3M7		5,307.00
Brandt	PO Box 480 Grand Falls - Winsor NL A2A 2J9		971.18
Cabot Timber Mart	276 Balbo Drive Clarenville NL A5A 4B3		80,089.34
Canada Revenue Agency-Payroll	1050 Notre Dame Avenue Sudbury Tax Centre Sudbury ON P3A 5C2		548.82
Canadian Tire Mastercard - Fuel			3,361.09

District of: Newfoundland and Labrador
 Division No. 01 - St. John's
 Court No. 01
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 (Subsection 50.4(1) of the Act)

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 Pathway Construction Ltd.

of the Town of Clarenville, in the Province of Newfoundland and Labrador

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Creditor	Address	Account#	Claim Amount
Carma Construction Ltd	P. O. Box 790 Bonavista NL A0C 1B0		13,800.00
CARQUEST Canada Ltd 28	138 Bennett Drive Gander NL A1V 2E4		936.07
Central Cashier's Office	P.O. Box 8700 St. John's NL A1B 4J6		1,567.00
Central Hydraulics and Supply	6A Earle Street Grand Falls-Winsor NL A2B 1H5		4,390.94
City of St. John's	P.O. Box 908 St. John's NL A1C 5M2		348.60
City Tire & Auto - Corner Brook	38 Confederation Drive Corner Brook NL A2H 6J3		767.10
Clarkes Trucking & Exc. Ltd.	163 Paradise Road Paradise NL A1L 2Y1		2,748.90
Classic Truck & Trailer Tirecraft	26 Kyle Ave Mount Pearl NL A1N 4R5		14,657.28
Clifford Cooper Construction Ltd	General Delivery Old Shop, Trinity Bay NL A0B 2W0		954.50
Coastal Entrance Solutions	146 Glencoe Drive Mount Pearl NL A1N 4P7		4,613.80
Competitive Edge	P. O. Box 323 Gander NL A5A 1M5		357.08
CRA - HST			22,285.32
Dasit Recharging JMC Limited	88 Main Street Grand Falls-Windsor NL A2B 1J6		399.05
Dooleys Trucking	60 Ward Street P. O. Box 398 Gander NL A1V 1W8		252.82

District of: Newfoundland and Labrador
 Division No. 01 - St. John's
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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pathway Construction Ltd.

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Eastern Roof & Floor Truss (2008 Inc)	27 Forest Road P. O. Box 17 Lethbridge NL A0C 1V0		89,314.94
ER Heating and Refrigeration (2017) Limited	13 Myers Ave Clarenville NL A5A 1T5		29,587.44
ESSO			19,583.25
Floyd's Construction Limited	P. O. Box 45 Rocky Harbour NL A0K 4N0		471.50
Fortis Concrete Inc.	P. O. Box 9134 Clarenville, NL A5A 2C2		12,789.76
Greenwoods HHBC	Route 234, 1 Main St. Lethbridge NL A0C 1V0		3,460.05
H. WAREHAM & SONS LIMITED	49 McCurdy Drive Gander NL A1V 1A1		4,379.13
Harvey Gale & Son Limited	P. O. Box 683 241 Carolina Avenue Stephenville NL A2N 3B5		3,438.50
Hercules	520 Windmill Rd. Dartmouth NS B3B 1B3		1,068.01
Horwood's Limited	245 Grenfell Heights Grand Fall-Windsor NL A2A 2J2		2,277.00
Iron Rock Equipment Ltd	615 Carol Drive Labrador City NL A2V 1S6		547.04
Jewer Bailey Consultants ULC	75 Tiffany Court St. John's NL A1A 0L1		4,525.25
Kent	P. O. Box 1200 Saint John NB E2L 4G7		26,548.99
King Process Technology Inc	4 Brentwood Ave Portugal Cove-St. Phillips NL A1M 0B2		8,924.21

District of: Newfoundland and Labrador
 Division No. 01 - St. John's
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- FORM 33 -

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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Pathway Construction Ltd.

of the Town of Clarenville, in the Province of Newfoundland and Labrador

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Log Max	P.O. Box 1398 Moncton NB E1C 8T6		4,820.12
Madsen Construction Equipment	141 Glencoe Drive Mount Pearl NL A1N 4S7		4,110.96
Marwood Ltd.	Postal Station A PO Box 338 Fredericton NB E3B 4Z9		111,916.83
Modern Printing Group	1037 Topsail Rd Mount Pearl NL A1N 5E9		412.85
P & B Trucking	13 Industrial Park Springdale NL A0J 1T0		10,292.50
Parts for Trucks	15 MacDonald Ave Darthmouth NS B3B 1C6		5,884.03
Paul Equipmnet & Sons (2008)	CP/Box 2535 55 Rue Drapeau Street Balmoral NB E8E 2W7		2,359.15
Pete Noseworthy			6,000.00
Provall Parts Limited	7 Blackmore Avenue Clarenville NL A5A 1B8		6,550.51
Quality Component Repair			1,756.63
R Coates Contracting	P. O. Box 156 Glenwood NL A0G 2K0		276.00
R&R HVAC and Controls Ltd	961 CBS Highway Conception Bay South NL A1X 7T2		7,762.50
Richard Power CPA	221E Memorial Drive Clarenville, NL A5A 1R3		5,175.00
Riverbend Freight Services Ltd	26 Kyle Avenue Mount Pearl NL A1N 4R5		17,250.00
S&H Construction Ltd	P.O. Box 9132 Clarenville NL A5A 2C2		1,517.60

District of: Newfoundland and Labrador
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In the Matter of the Proposal of
 Pathway Construction Ltd.

of the Town of Clarenville, in the Province of Newfoundland and Labrador

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Shagg Island Enterprises Ltd.	P. O. Box 293 Musgravetown NL A0C 1Z0		3,898.50
South Coast Construction Inc.	2 Fish Plant Road P. O. Box 369 Burgeo NL A0N 2H0		3,547.75
Stephenson's Services (2006) Limited	P. O, Box 180 Bloomfield NL A0C 1A0		2,153.37
T & G Woodworks	Site 3 Box 8 Appleton NL A0G 2K0		2,290.80
Technical Lift and Transport Limited	37 Tobins Road St. John's NL A1E 6A3		26,101.43
Town Of Clarenville	99 Pleasant Street Clarenville NL A5A 1V9		2,340.05
Town of Georges Brook - Milton	149 Trinity Drive Georges Brook-Milton NL A5A 0L4		2,000.00
Town of Ramea	P.O. Box 69 Ramea NL A0N 2J0		391.00
United Rentals of Canada, Inc.	Postal Station A P O Box 4526 Toronto ON M5W 5Z9		11,619.44
Vardy Villa Limited	129 Cormack Drive Clarenville NL A5A 1M5		7,076.59
Wajax	PO Box 11790 Dept 29 M9082C/U Succursale Centre-Ville QC H3C 0C4		873.47
Western Pumps Services	P. O. Box 39 Norris Point NL A0K 3V0		3,646.14
Workplace Health & Safety	146-148 Forest Rd St. Johns NL A1A 3B8		9,043.27
Total			1,167,076.13

District of: Newfoundland and Labrador
Division No. 01 - St. John's
Court No. 01
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- FORM 33 -

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

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador



Pathway Construction Ltd.
Insolvent Person



Original Amendment

I - COMPLETE THE FOLLOWING IN ALL CASES				
PROCEEDING:		<input type="checkbox"/> Assnment <input type="checkbox"/> Referral <input type="checkbox"/> Bankruptcy Order <input checked="" type="checkbox"/> Proposal		
		<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Income Trust		
Estate Name Pathway Construction Ltd.		Occupation		Language <input checked="" type="checkbox"/> English <input type="checkbox"/> French <input type="checkbox"/> Other Specify
Ind. Date of Birth	D M Y	Previous or current BIA proceeding? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, enter estate number(s)	Indicate if previous bankruptcy <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Address (Street No. and Apt No.) 45 Marine Drive			The debtor resides or has carried on business at the above address	
			D M Y 03-06-2015	
City Clarenville		Province NL	Postal Code A5A 1M5	Home Telephone no. () - -
E-mail Address (if any)		Work Telephone no. (if any) (709) 433-3008		
		Indicate if receivership <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Consumer debts only? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		100.00 % of the total debt is		Enter Business Numbers(s), if applicable

III - COMPLETE THE FOLLOWING IF THE DEBTOR HAS GUARANTEED THE DEBTS OF ANOTHER PERSON	<input checked="" type="checkbox"/> N/A
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IV - COMPLETE THE FOLLOWING IF THE DEBTOR WAS PREVIOUSLY OR IS PRESENTLY IN BUSINESS	<input checked="" type="checkbox"/> N/A
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Trade name(s) if different from the estate name	Place of Business	Nature of Business	Corporation, partnership or sole proprietorship
Pathway Construction Ltd.	45 Marine Drive Clarenville NL A5A 1L3	Construction Business	Corporation
Names of the partners if a partnership:			
During the past 12 months, what was the maximum number of employees that you employ		16	How long have you been in operation under this current legal name
			98 Month(s)

V - COMPLETE THE FOLLOWING IF THE DEBTOR IS A CORPORATION. INCLUDING AN INCOME TRUST	<input checked="" type="checkbox"/> N/A
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Are the shares of the corporation publicly traded?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Federal Charter Number	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Names of the corporate officers Keith Wayne Chard					
Name of person to be examined		Keith Wayne Chard		Title	President
				Phone Number	() - -
Address 45 Marine Drive					
City		Clarenville		Province	NL
				Postal Code	A5A 1L3
				Language	<input checked="" type="checkbox"/> English <input type="checkbox"/> French <input type="checkbox"/> Other specify
During the past 12 months, what was the maximum number of employees that you employ		16		How long have you been in operation under this current legal name	
				99 Month(s)	

VI - TO BE COMPLETED WHEN FILING A CONSUMER PROPOSAL OR AMENDED CONSUMER PROPOSAL	<input checked="" type="checkbox"/> N/A
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VII - TO BE COMPLETED AND SIGNED BY THE TRUSTEE IN ALL CASES

Creditors Meeting Suggested Time & Place	D M Y	Time	Location
TRUSTEE APPOINTMENT Name & Licence number of the trustee or, if a Corporate Trustee, the			
BDO Canada Limited / BDO Canada Limitée, Neil Jones, 3478			Licence number 3478
Request for an investigation under the Debtor Compliance Referral Program	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, provide reasons for referral	
A possible conflict of interest situation exists	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, explain	



Original Amendment

Continued

Indemnification:	<input type="checkbox"/> N/A	<input type="checkbox"/> Deposit	<input type="checkbox"/> Guarantee	Name of depositor or guarantor
Amount or extent of indemnity	▶ \$0.00		<input type="checkbox"/> Trustee absent when file submitted Amended summary to	Signature of Trustee

VIII - OFFICIAL RECEIVER USE ONLY				
NOTE: Quote this number in all future correspondence No. >		Administration <input type="checkbox"/> Summary <input type="checkbox"/> Ordinary		Date of filing D M Y
Industry District Division Court No.		Licence No. of appointed Trustee <input type="checkbox"/> As above <input type="checkbox"/> Other>>		Resp. O. R.
Assets	Liabilities	Security		
Creditor's Meeting <input type="checkbox"/> As above <input type="checkbox"/> Or	Date D M Y	Time	Location	Chairperson <input type="checkbox"/> O. R. <input type="checkbox"/> Trustee
Debtor Examination <input type="checkbox"/> No <input type="checkbox"/> Yes	Date D M Y	Time	Location	
Official Receiver Comments			Note to file <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C	Data Processing Initials
			Official Receiver's	Document Production Initials

RESOLUTION OF THE DIRECTORS
OF
PATHWAY CONSTRUCTION LTD.

UPON MOTION duly made and unanimously carried, it was resolved that Pathway Construction Ltd. (the "Company") was no longer able to meet its obligations generally as they became due and was, therefore, insolvent, and as a result of said insolvency that the Company be and is hereby authorized to file a Proposal (a "Proposal") pursuant to Section 50 of the Bankruptcy and Insolvency Act (Canada) (the "BIA");

AND BE IT FURTHER RESOLVED that the Company is authorized to file a Notice of Intention to Make a Proposal under and pursuant to the BIA (the "Initial Filing") and to take all accessory steps and action necessary, relating to, or incidental to this purpose or that in any way relate to the Initial Filing or any process or proceedings following therefrom;

AND BE IT FURTHER RESOLVED that the Company is authorized to obtain the assistance of BDO Canada Limited, Licensed Insolvency Trustee (the "Trustee"), at their office at Suite 201, 255 Lacewood Drive, Halifax, Nova Scotia, to act as the Proposal trustee of the Company and to do all such acts and things as are required by the BIA;

AND BE IT FURTHER RESOLVED that for this purpose that Keith Chard be and is hereby authorized to execute such documents in connection therewith as may be required by either the Company, the Trustee, or any other party involved.


CERTIFICATE

We, Keith Chard and Jeffery Stuckless, Directors of Pathway Construction Ltd. hereby certify that the foregoing Resolution is a true copy of a Resolution of the Directors of the Company duly and properly passed at a Meeting of Directors of the Company duly convened and properly held on the 27 day of September, 2023, and that the Resolution is now in full force and effect.

DATED at Clarenville, in the Province of Newfoundland and Labrador, this 27 day of September, 2023.



DIRECTOR



DIRECTOR



Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
debtsolutions-halifax.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

Superintendent of Bankruptcy
Industry Canada, Bankruptcy Branch
Maritime Centre
1505 Barrington Street, Suite 1605
Halifax, NS B3J 3K5

September 28, 2023

Dear Sir:

Re: In the Matter of the Proposal of Pathway Construction Ltd.

BDO Canada Limited / BDO Canada Limitée of Suite 201, 255 Lacewood Drive, Halifax, Nova Scotia hereby consents to act as Trustee in the matter of the above Proposal pursuant to Division I of the Bankruptcy and Insolvency Act.

Yours very truly

BDO Canada Limited / BDO Canada Limitée
Trustee

A handwritten signature in black ink, appearing to read 'Neil Jones', written in a cursive style.

Neil Jones, CA, CPA, CIRP, LIT

Pathway Construction Ltd. ("Pathway")														
Statement of projected weekly cash flows														
For the weekly period ending October 13, 2023 to January 5, 2024														
Updated on October 6, 2023														
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
	13-Oct-23	20-Oct-23	27-Oct-23	03-Nov-23	10-Nov-23	17-Nov-23	24-Nov-23	01-Dec-23	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24	
Opening cash position	6,103	12,088	9,285	12,042	38,863	31,408	22,658	45,773	96,098	80,374	28,417	140,641	113,468	6,103
Inflows														
Existing accounts receivable	5,000	-	-	27,900	54,297	-	-	-	23,646	-	-	-	-	110,843
Existing Projects (incl. tax)	49,669	15,300	118,800	56,335	20,136	100,886	133,234	209,717	52,092	51,861	200,286	35,772	45,172	1,089,259
Other Inflows														
Sale of Mini Excavator		35,000												35,000
Sale of Tag Trailer														-
Sale of Skid steer				25,000		10,000								35,000
Sale of Backhoe				25,000										25,000
Total inflows	54,669	50,300	118,800	134,235	74,433	110,886	133,234	209,717	75,738	51,861	200,286	35,772	45,172	1,295,102
Outflows														
Project Expenses														
Projects Costs	23,903	12,403	79,270	43,601	47,235	14,757	74,159	96,851	68,662	36,959	51,638	32,538	32,548	614,523
General and administrative expenses														
Repairs and maintenance	-	6,440		6,440		6,440		6,440		6,440		6,440	3,220	41,860
Travel		2,300		2,300		2,300		2,300		2,300		2,300	1,150	14,950
Freight	230	230	230	230	230	230	230	230	230	230	230	230	230	2,990
Professional and restructuring fees	575	575	575	575	575	23,575	575	575	575	575	17,825	575	575	47,725
Office and Utilities	575	575	575	575	575	575	575	575	575	575	575	575	575	7,475
Rent	-	-	-	920	-	-	-	920	-	-	-	-	-	2,760
WHSCC				2,955				2,955						8,865
Credit card payments/miscellaneous payment	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	29,900
Payroll	13,711	20,057	25,384	25,121	28,818	27,286	23,289	22,257	16,965	15,620	11,303	11,304	11,219	252,334
Payroll remittances	-	5,348	-	-	-	34,783	-	-	-	31,429	-	-	-	84,939
Bank charges and fees	-	-	-	3,300	-	-	-	3,300	-	-	-	-	-	9,900
Debt servicing														
BMO Loan payments - Revolving	-	-	-	1,667	-	-	-	1,667	-	-	-	-	-	5,000
BMO Loan payments - Non Revolving	-	-	-	1,042	-	-	-	1,042	-	-	-	-	-	3,125
Leases and Insurance	7,390	2,875	7,710	16,389	2,155	7,390	8,992	17,981	2,155	7,390	4,191	6,683	16,100	107,399
	48,683	53,102	116,043	107,414	81,887	119,636	110,120	159,392	91,462	103,818	88,062	62,945	91,180	1,233,744
HST (payable) receivable	-	-	-	-	-	-	-	-	-	-	-	-	(31,541)	(31,541)
Net cash flow	5,985	(2,802)	2,757	26,821	(7,454)	(8,750)	23,114	50,325	(15,724)	(51,957)	112,224	(27,173)	(77,549)	29,816
Projected cash position	12,088	9,285	12,042	38,863	31,408	22,658	45,773	96,098	80,374	28,417	140,641	113,468	35,919	35,919

Dated at Clarenville, Newfoundland and Labrador this 6th day of October, 2023.


 Keith Chard, Officer and Director of Pathway Construction Ltd.



BDO Canada Limited
 Trustee under the Notice of Intention to file a Proposal for Pathway Construction Ltd.
 and not in its personal capacity.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

INSOLVENT'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(c) and 50.4(2)(c))

I, Keith Chard, Director of Pathway Construction Ltd., an Insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the Insolvent as of the week ending October 13, 2023, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the Insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in Note B.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in Note A, using the probable and hypothetical assumptions set out in Note B. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Clarenville, Newfoundland and Labrador, this 6th day of October, 2023.



Keith Chard, Director of Pathway Construction Ltd.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

NOTES TO THE STATEMENT OF PROJECTED CASH FLOW
(Section 50(6)(a) and 50.4(2)(a))

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50(6)(a) and s.50.(6) in association with the Notice of Intention to file a Proposal for Pathway Construction Ltd. (the "Insolvent").

Note B: The following assumptions were used by management of the Insolvent in the preparation of the statement of projected cash flow of the Insolvent:

General

The statement of projected cash flow covers a period of 13 weeks from the week ending October 13, 2023 through January 5, 2024. This period is expected to cover the time required to conduct a meeting of creditors to vote on the Proposal and the ratification of an accepted Proposal of the Insolvent by the Supreme Court of Newfoundland and Labrador, General Division, In Bankruptcy and Insolvency.

Receipts

- The restructuring process for the Insolvent is being funded by revenues expected from ongoing construction projects that have been awarded to the Insolvent.

Disbursements

- Disbursements consist of forecast expenses based on management estimates to complete current projects for which the Insolvent has been awarded the job contracts.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

TRUSTEE'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(b) and 50.4(2)(b))

The attached statement of projected cash-flow of Pathway Construction Ltd., an insolvent, as of the week ending October 13, 2023, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the Trustee from information provided by the Insolvent for the purpose described in Note A, using probable and hypothetical assumptions as set out in Note B.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the Insolvent. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the Insolvent for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed by the Insolvent are not suitably supported and consistent with the plans of the Insolvent or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note A and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 6th day of October, 2023.

BDO CANADA LIMITED

Acting in its capacity as
Trustee under the Notice of Intention to Make a Proposal for
Pathway Construction Ltd.
and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “B”
to the Second Report of the Proposal Trustee



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Newfoundland and Labrador
Division No. 01 - Newfoundland and Labrador
Court No. 24612
Estate No. 51-2992411

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

Pathway Construction Ltd.

Insolvent Person

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of the Notice of Intention:

September 28, 2023

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

-- AMENDED --

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

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

Date: September 29, 2023, 14:47

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “C”
to the Second Report of the Proposal Trustee

2023 01G **24615**
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Bankruptcy and Insolvency Act R.S.C., 1985 c. B-3 as Amended (the "BIA"); and

AND IN THE MATTER OF a Notice of Intention to make a proposal for Pathway Construction Limited (the "Company").

Court No. 24615
Estate No. 51-2992411

STAY EXTENSION ORDER

Before the Honourable Justice **MACDONALD** in Chambers:

THIS APPLICATION, made by Pathway Construction Ltd. (the "Applicant") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "BIA") for an order: extending the Stay Period (each as defined herein) up to and including December 13, 2023;

ON READING the affidavit of Keith Chard, sworn 23 October 2023, and the Exhibits thereto, the First Report of BDO Canada Ltd. dated October 24, 2023 in its capacity as proposal trustee of the Applicants (the "Proposal Trustee");

AND UPON appearing that appropriate Notice has been provided to all interested parties;

AND UPON the Applicant having applied for relief under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, s. 50.4(9) and the *Bankruptcy and Insolvency General Rules*;

ON HEARING the submissions of counsel for the Applicant, the Proposal Trustee, and such other counsel that were present, no one else appearing for any party although duly served:

	Filed	300523	PLG
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o

NOW UPON MOTION:

IT IS ORDERED THAT:

- 1) To the extent necessary and required, notice periods with respect to this Motion be and are hereby abridged.
- 2) That pursuant to Section 50.4(9) of the BIA, the time for the Company to file a proposal with the Official Receiver be and is hereby extended to December 13, 2023.

ISSUED at St. John's, Newfoundland and Labrador this 27 day of October 2023.





District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “D”
to the Second Report of the Proposal Trustee



BDO Canada Limited

Suite 201, 255 Lacewood Drive
Halifax, NS B3M 4G2
Telephone (902) 425-3100
Fax (902) 425-3777

VIA E- FILE

Superintendent of Bankruptcy
Industry Canada, Bankruptcy Branch
Maritime Centre
1505 Barrington Street, Suite 1605
Halifax, NS B3J 3K5

December 11, 2023

DOCUMENT TRANSIT

Re: PATHWAY CONSTRUCTION LTD.

Estate No: 51-2992411

× Revised Statement of Projected Cash Flow

A handwritten signature in black ink, appearing to read 'M. Mawhinger'. The signature is written in a cursive style with a long, sweeping tail on the 'g'.

BDO CANADA LIMITED
In its capacity as Trustee in the Proposal of
Pathway Construction Ltd.

Pathway Construction Ltd. ("Pathway")														
Statement of projected weekly cash flows														
For the weekly period ending December 8, 2023 to March 1, 2024														
Updated on December 7, 2023														
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
	08-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	05-Jan-24	12-Jan-24	19-Jan-24	26-Jan-24	02-Feb-24	09-Feb-24	16-Feb-24	23-Feb-24	01-Mar-24	
Opening cash position	92,578	53,587	17,713	29,030	71,240	13,045	92,441	63,997	100,555	35,734	43,136	30,025	37,802	92,578
Inflows														
Existing accounts receivable	-	23,646	-	-	-	-	-	-	-	-	-	-	-	23,646
Existing Projects (incl. tax)	14,332	28,707	64,906	72,493	28,707	117,998	28,707	28,707	44,796	28,707	28,707	28,347	28,347	543,461
Other Inflows														
Sale of Mini Excavator	-	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Sale of Tag Trailer	-	-	-	-	10,000	-	-	-	-	-	-	-	-	10,000
Sale of Backhoe	-	-	-	-	-	-	-	35,000	-	-	-	-	-	35,000
Total inflows	14,332	82,353	64,906	72,493	38,707	117,998	28,707	63,707	44,796	28,707	28,707	28,347	28,347	642,107
Outflows														
Project Expenses														
Projects Costs	12,886	37,842	11,967	-	63,717	11,967	9,092	7,320	58,495	7,320	7,320	7,320	7,320	242,564
General and administrative expenses														
Repairs and maintenance	4,681	4,681	4,681	4,681	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	50,224
Travel	-	2,300	1,150	-	2,300	1,150	-	-	-	-	-	-	-	6,900
Freight	230	230	230	230	230	230	230	230	230	230	230	230	230	2,990
Professional and restructuring fees	23,000	17,250	17,250	-	-	11,500	11,500	-	-	-	-	-	-	80,500
Office and Utilities	600	600	600	600	600	600	600	600	600	600	600	600	600	7,800
Insurance	-	-	-	4,801	-	-	1,442	4,801	-	-	1,442	-	4,801	17,286
WHSCC	-	-	-	-	2,955	-	-	-	2,955	-	-	-	-	5,910
Miscellaneous payments	500	500	500	500	500	500	500	500	500	500	500	500	500	6,500
Payroll	8,864	8,864	8,864	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	96,592
Payroll remittances	-	35,075	-	-	-	-	11,757	-	-	-	9,800	-	-	56,632
Bank charges and fees	-	-	-	3,300	-	-	-	-	3,300	-	-	-	3,300	9,900
Debt servicing														
BMO Loan payments - Revolving	-	1,667	-	-	-	-	1,667	-	-	-	1,667	-	-	5,000
BMO Loan payments - Non Revolving	-	1,042	-	-	-	-	1,042	-	-	-	1,042	-	-	3,125
Leases	2,562	8,177	8,348	9,171	16,100	2,155	8,823	3,198	16,100	2,155	8,719	1,420	17,981	104,908
	53,323	118,227	53,590	30,283	96,902	38,602	57,152	27,148	92,680	21,304	41,818	20,570	45,232	696,831
HST (payable) receivable	-	-	-	-	-	-	-	-	(16,937)	-	-	-	-	(16,937)
Net cash flow	(38,991)	(35,874)	11,316	42,210	(58,195)	79,396	(28,445)	36,559	(64,821)	7,403	(13,111)	7,777	(16,885)	(71,661)
Projected cash position	53,587	17,713	29,030	71,240	13,045	92,441	63,997	100,555	35,734	43,136	30,025	37,802	20,917	20,917

Dated at Clarenville, Newfoundland and Labrador this 7th day of December, 2023.

Keith Chard

Keith Chard, Officer and Director of Pathway Construction Ltd.

Neil Jones

BDO Canada Limited

Trustee under the Notice of Intention to file a Proposal for Pathway Construction Ltd. and not in its personal capacity.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

NOTES TO THE STATEMENT OF PROJECTED CASH FLOW
(Section 50(6)(a) and 50.4(2)(a))

Note A: The statement of projected cash flow is being filed pursuant to the Bankruptcy and Insolvency Act s.50(6)(a) and s.50.(6) in association with the Notice of Intention to file a Proposal for Pathway Construction Ltd. (the "Insolvent").

Note B: The following assumptions were used by management of the Insolvent in the preparation of the statement of projected cash flow of the Insolvent:

General

The statement of projected cash flow covers a period of 13 weeks from the week ending December 8, 2023 through March 1, 2024. This period is expected to cover the time required to conduct a meeting of creditors to vote on the Proposal and the ratification of an accepted Proposal of the Insolvent by the Supreme Court of Newfoundland and Labrador, General Division, In Bankruptcy and Insolvency.

Receipts

- The restructuring process for the Insolvent is being funded primarily by revenues expected from ongoing construction projects that have been awarded to the Insolvent and the sale of redundant equipment.

Disbursements

- Disbursements consist of forecast expenses based on management estimates to complete current projects for which the Insolvent has been awarded the job contracts.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

INSOLVENT'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(c) and 50.4(2)(c))

I, Keith Chard, Director of Pathway Construction Ltd., an Insolvent, have developed the assumptions and reviewed the attached statement of projected cash-flow of the Insolvent as of the week ending December 8, 2023, consisting of the cash-flow statement and cash-flow assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note A, and the probable assumptions are suitably supported and consistent with the plans of the Insolvent and provide a reasonable basis for the projection. All such assumptions have been disclosed in Note B.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The projection has been prepared solely for the purpose described in Note A, using the probable and hypothetical assumptions set out in Note B. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Clarenville, Newfoundland and Labrador, this 8th day of December, 2023.



Keith Chard, Director of Pathway Construction Ltd.

DISTRICT OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland And Labrador
COURT No. - 24612
ESTATE Nos. 51-2992411

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

TRUSTEE'S REPORT ON STATEMENT OF PROJECTED CASH-FLOW
(Section 50(6)(b) and 50.4(2)(b))

The attached statement of projected cash-flow of Pathway Construction Ltd., an insolvent, as of the week ending December 8, 2023, consisting of the cash-flow statement and cash-flow assumptions, has been prepared by the Trustee from information provided by the Insolvent for the purpose described in Note A, using probable and hypothetical assumptions as set out in Note B.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the Insolvent. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by the Insolvent for the probable assumptions and the preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (a) the hypothetical assumptions are not consistent with the purpose of the projection.
- (b) as at the date of this report, the probable assumptions developed by the Insolvent are not suitably supported and consistent with the plans of the Insolvent or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in Note A and readers are cautioned that it may not be appropriate for other purposes.

Dated at Halifax, Nova Scotia this 7th day of December, 2023.

BDO CANADA LIMITED
Acting in its capacity as
Trustee under the Notice of Intention to Make a Proposal for
Pathway Construction Ltd.
and not in its personal capacity.

Per:



Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “E”
to the Second Report of the Proposal Trustee

District of: Newfoundland and Labrador
Division No.: 01- Newfoundland and Labrador
Estate No.: 51-2992411
COURT No.: 24612

**IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.**

PROPOSAL FOR EXTENSION OF TIME AND COMPOSITION OF DEBT

Pathway Construction Ltd. hereby submits the following Proposal to its Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act*.

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Proposal:

“**Affected Creditor**” means the Preferred Creditors, Unsecured Creditors and Deferred Creditors having Proven Claims.

“**Assets**” means the following assets, owned outright by the Debtor and subject to registered security held by the Bank of Montreal:

- a) 2017 Bobcat Mini Excavator; VIN AUYM14662,
- b) 2004 Mac Tag Trailer; VIN 2M9TS53694A155027; and
- c) 2001 JCB Backhoe; VIN SLP214FC1U0901179.

“**BIA**” means the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.

“**Business Day**” means any day which is not a Saturday or Sunday, or a provincial or federal holiday in the province of Newfoundland and Labrador.

“**Claim**” means any right or claim against the Debtor (i) based in whole or in part on facts which existed prior to the Filing Date, (ii) related to a time period prior to the Filing Date, or (iii) which would have been a claim provable in bankruptcy within the meaning of the BIA had the Debtor become bankrupt on the Filing Date that may be asserted or made in whole or in part against the Debtor, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment,

liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, including, without limiting the foregoing, any right or claim of a current or former employee of the Debtor, any Crown Claim, provided however, that a "Claim" shall not include a Post Filing Claim.

"Claimant" means a person that has a Claim which is not yet a Proven Claim.

"Completion Date" means the date on which the Debtor's obligations under this Proposal have been met.

"Convenience Claim" means the first \$2,000 of any Unsecured Creditor's Proven Claim, but not exceeding the amount of the Unsecured Creditor's Proven Claim if less than \$2,000.

"Court" means the Supreme Court of Newfoundland and Labrador, General Division, In Bankruptcy and Insolvency.

"Court Approval Order" and **"Approval Order"** means the Court order approving this Proposal and directing the implementation of this Proposal.

"CRA" means the Canada Revenue Agency.

"Creditors" means the Preferred Creditors and Unsecured Creditors of the Debtor, and for greater certainty, does not include Secured Creditors and Post Filing Creditors.

"Crown" means Her Majesty in the right of Canada or a province.

"Crown Claim" means a Claim of the Crown for amounts that are outstanding as at the Filing Date and are subject to a demand under:

- a) subsection 224(1.2) of the Income Tax Act;
- b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties, or other amounts, where the sum:
 - i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 391 of the

Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“**D&O Claim**” means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

“**Date of Restructuring**” means the date as which:

- a) the Proposal Proceeds have been received by the Trustee; and
- b) the Trustee has distributed a final dividend to Creditors pursuant to the terms of this Proposal.

“**Debtor**” means Pathway Construction Ltd. an insolvent corporation located in Clarenville, Newfoundland and Labrador.

“**Disputed Claim**” means any Proof of Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven in accordance with section 135 of the BIA or which is being disputed in whole or in part by the Trustee, or any other person entitled to do so and has not been resolved by agreement or by order of the Court.

“**Deferred Creditor**” means an Unsecured Creditor that is a related party to the Debtor in accordance with Section 4 of the BIA.

“**Estate**” means the estate of Pathway Construction Ltd. under this Proposal pursuant to the BIA.

“**Event of Default**” means when any of the following occur:

- a) the Debtor fails to fund reasonable Post Filing Claims pertaining to the business and affairs of the Debtor;
- b) the Debtor fails to deposit with the Trustee the monies referred to in Article 3; or
- c) statutory defaults under the BIA.

“**Filing Date**” means December 12, 2023, the date on which the Debtor filed this Proposal with the Official Receiver in the City of Halifax, Nova Scotia.

“**Filing Date Exchange Rate**” means the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian Dollars on the Filing Date.

“**HST**” means Harmonized Sales Tax, a combination of federal and provincial value added taxes on goods and services sold in Newfoundland and Labrador, Canada.

“**Inspectors**” has the meaning ascribed to it in Section 7.4 of this Proposal.

“Litigation Claim” means the claim the Debtor has against Dandy Dans Fish Market Ltd. in relation to an accounts receivable due.

“Maturity Date” means the Date of Restructuring provided that no Event of Default has occurred under this Proposal that has not been cured or waived.

“Meeting” means the meeting of creditors to be held pursuant to section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and includes any subsequent reconvened meeting should a Meeting be adjourned.

“Official Receiver” means the officer appointed pursuant to subsection 12(2) of the BIA in the City of Halifax, Nova Scotia, to perform the duties and responsibilities set out in the BIA.

“Post Filing Claim” means a claim arising from the supply of goods or services to the Debtor after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such claims. Post Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

“Post Filing Creditor” means a creditor having a Post Filing Claim.

“Preferred Creditors” means those persons with Claims against the Debtor provable pursuant to the BIA as of the Filing Date whose claims are entitled to be paid in priority to the claims on Unsecured Creditors as provided in Section 136 of the BIA.

“Priority Claim” means (i) a Crown Claim that is a Proven Claim or (ii) a Proven Claim of an employee for amounts it would be entitled to receive under subsections 60(1.3) and 136(1)(d) of the BIA if the Debtor had become bankrupt on the Filing Date.

“Priority Creditor” means a creditor of the Debtor having a Priority Claim.

“Professional Fees” means all proper fees, expenses, liabilities and obligations of the Trustee and its legal counsel, accounting fees and consulting fees on and incidental to the proceedings arising out of this Proposal, including advice in connection with this Proposal.

“Proof of Claim” means the prescribed form of document required under the BIA to evidence the Claim of a creditor of the Debtor.

“Proposal” means this proposal among the Debtor and the Affected Creditors, as from time to time amended, modified, or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Debtor and Affected Creditors or classes as provided for herein or at any Meeting.

“Proposal Period” means the period between the Filing Date and the Maturity Date.

“Proposal Proceeds” has the meaning ascribed in Article 3.

“Proven Claim” means a Claim which:

- a) after the delivery of a Proof of Claim to the Trustee, has been admitted by the Trustee in whole or in part; or

- b) after the delivery of a Proof of Claim to the Trustee, has been disallowed by the Trustee, which disallowance has subsequently been set aside in whole or in part by the Court,

provided that a Proven Claim shall not include the amount due to a Post Filing Creditor in respect of a Post Filing Claim. Proven Claims shall not include any interest for the period subsequent to the Filing Date, and any such interest will be specifically disavowed.

“Related Party” means a party that is related to the Debtor in accordance with Section 4 of the BIA.

“Required Majority” means a majority in number and two-thirds in value of all Proven Claims in the Unsecured Creditor Class entitled to vote, who are present and voting at the Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

“Secured Creditors” means a Person holding a mortgage, hypothec, charge, pledge, charge, or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the Person from the Debtor, but shall exclude, for great certainty, lienholders holding lienholder claims.

“Trustee” means BDO Canada Limited, in its capacity as Licensed Insolvency Trustee under the Proposal.

“Unaffected Creditors” means those Persons having Secured Claims and those Persons having Post-Filing Claims.

“Unsecured Creditor” means a creditor of the Debtor who has a Claim but does not have a security interest in the assets of the Debtor as at the Filing Date.

“Unsecured Creditor Class” means all Unsecured Creditors each having a Proven Claim.

1.2 Interpretation, etc.

For the purposes of this Proposal:

- a) the division of this Proposal into articles and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define, or limit the scope, extent, or intent of this Proposal;
- b) all references to amounts of money mean lawful currency of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Affected Creditors in any other currency will be converted to Canadian dollars at the Filing Date Exchange Rate;
- c) unless otherwise specified, the words “hereof”, “herein”, “hereunder” and “hereto” refer to this Proposal in its entirety rather than to any particular portion of this Proposal;
- d) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- e) the deeming provisions are not rebuttable and are conclusive and irrevocable;
- f) the words “includes” and “including” are not limiting; and

g) the word “or” is not exclusive.

1.3 Statutory References

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made thereunder, as amended or re-enacted from time to time.

1.4 Date for any Action

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PROPOSAL

2.1 Purpose of the Proposal

The purpose of this Proposal is to effect a compromise of Unsecured Claims of the Debtor in order to enable the business of the Debtor to continue, in the expectation that all stakeholders of the Debtor including its Creditors will derive a greater benefit from its continued operations than would result from the discontinuance of its operations and the forced liquidation. This Proposal will also provide for a full and final satisfaction of all Unsecured Claims in exchange for a cash payment as described in this Proposal.

2.2 Effect of the Proposal

The Proposal restructures the affairs of the Debtor and amends the terms of any and all agreements between the Debtor and the Unsecured Creditors and Deferred Creditors. During the Proposal Period, the provisions of Section 69.1 of the BIA shall be in effect. Without limiting the generality of the foregoing, during the Proposal Period all Unsecured Creditors will be stayed from commencing or continuing any proceeding or remedy against the Debtor or the Property in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies owing to Creditors, to recover or enforce any judgement against the Debtor in respect of a Claim or to commence any formal proceedings against the Debtor in respect of a Claim other than as provided under this Proposal.

2.3 Effect on Secured Creditors

Secured Creditors are not affected under the Proposal and will be paid in accordance with existing agreements between such Secured Creditors and the Debtor as amended from time to time or as may be arranged in the future between the Debtor and the Secured Creditors. The Claims of Secured Creditors are not affected by this Proposal.

2.4 Waiver of Related Company Claim

It is a term of the Proposal that Eastern Roof and Floor Truss Manufacturing (2008) Inc. shall not be entitled to any distribution hereunder with respect to its Deferred Claim, and shall not vote on the Proposal.

2.5 Trustee under the Proposal

Subject to the provisions of the BIA, the Trustee shall act as the administrator for certain purposes connected with the Proposal, including the management of the claims process and the administration of the Meeting.

2.6 Obligations of the Debtor under the Proposal

The Debtor and its directors shall bind themselves to cooperate in every way with the Trustee in carrying out the terms of this Proposal.

During the Proposal Period, the Debtor and its directors shall:

- a) realize upon the Assets for purposes of providing a source of cash flow to maintain business operations during the Proposal Period;
- b) deposit all funds referred to in Article 3 which shall vest with the Trustee for distribution amongst the Affected Creditors who are subject to this Proposal and for payment of fees and expenses of the Trustee as referred to in Article 4 herein and for payment of the levy pursuant to s.147 of the BIA;
- c) Remit all necessary installments to CRA in accordance with the provisions of the Income Tax Act and Excise Tax Act;
- d) Submit required tax returns, together with amounts due, if any; and
- e) Upon notice in writing to the Trustee by CRA of a default with respect to the filing, remitting and installment requirements for the post-Proposal period herein, the debtor shall be given sixty (60) days from the date of the notice to rectify any such default. Should the default not be rectified within the sixty (60) day period, a request can be made to the Trustee to have the Proposal annulled.

2.7 Effect of this Proposal on Affected Creditors

This Proposal will, as of the date of the Court Approval Order, be binding on the Debtor and all Affected Creditors in the manner provided in this Proposal and the BIA. All Unsecured Claims shall be discharged and the Debtor shall thereon be released from all Unsecured Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal.

2.8 Preferred Creditors

The Proven Claims of the Preferred Creditors (excluding the Employee Claims) of the Debtor will be paid in full priority to the Proven Claims of other Unsecured Creditors in accordance with the BIA and the Proposal.

2.9 Employee Creditors

The Proven Claims of employees determined to be Priority Claims, if any, will be satisfied or paid as provided by Article 3 and 4.

2.10 Lienholder Claims

Any lienholder claims will be deemed to be Unsecured Claims under this Proposal.

2.11 Unsecured Creditors

The Proven Claims of the Unsecured Creditors of the Debtor will be satisfied or paid as provided by Article 3.

2.12 Post Filing Claims

Post Filing Claims will be paid in full by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post Filing Claims.

ARTICLE 3 PROPOSAL

3.1 Proposed Payments

The Debtor will make contributions totalling Two Hundred Sixty-Four Thousand (\$264,000) by quarterly payments of Twenty-Two Thousand (\$22,000) for a period of three years, said payments to commence on the second quarter ended in 2024 being June 30, 2024 and continue until the first quarter ended in 2027 being March 31, 2027 or until such time as the full amount of Two Hundred Sixty-Four Thousand (\$264,000) has been deposited with the Trustee. These funds, referred to as Proposal Proceeds, shall be directed to the Trustee for payment to proven creditors.

Should the Debtor determine that it has sufficient cash flow to accelerate the payments to the Trustee for distribution to proven creditors as contemplated in this Proposal, it will attempt to do so in order to conclude the Proposal earlier than otherwise set out.

3.2 Distributions

Payments to Preferred Creditors and Unsecured Creditors for Proven Claims will be made in the following order after payment of the Priority Payments referred to in Article 4 to the extent of the Proposal Proceeds:

- a) Proven Claims of Preferred Creditors as at the Filing Date, being those creditors with claims provable pursuant to Section 136 of the BIA;
- b) The Convenience Claim portion of Proven Claims of Unsecured Creditors will be paid in full, without interest; and
- c) On a pro-rata basis, in full and final satisfaction of Unsecured Creditors' Proven Claims which are to include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of transactions entered into by Debtor prior to the Filing Date, payment from the Proposal Proceeds for Proven Claims of Unsecured Creditors, less payment made towards the Convenience Claim, without interest.

Deferred Creditors shall not receive any distribution in this Proposal.

That the dividends paid to Preferred Creditors and Unsecured Creditors for Proven Claims shall be paid as follows:

- a) The first interim dividend shall be paid shortly after March 31, 2025, following receipt of the fourth quarterly payment from the Debtor; and
- b) The Second and Third dividends to creditors shall be paid on an annual basis, approximately 12 months following the payment of the previous dividend.

The Debtor is not aware of any known Preferred Creditors as at the Filing Date.

3.3 Levy Payable

The levy payable to the Office of the Superintendent of Bankruptcy by virtue of the provisions of subsection 147(1) of the BIA shall be payable on all distributions made pursuant to the terms of this Proposal, including consideration to be received by the Preferred Creditors, Unsecured Creditors, and Deferred Creditors but not in the consideration to be received by the Post Filing Creditors, the Priority Creditors or the Secured Creditors, respectively.

3.4 Class of Creditors and Voting

This Proposal is not being made to the Unaffected Creditors and does not impact their claims. Claims of Unaffected Creditors shall be dealt with in accordance with the agreements between the respective Unaffected Creditors and the Debtor or as otherwise agreed between the respective Unaffected Creditors and the Debtor.

For the purposes of voting on this Proposal, the Preferred Creditors and Unsecured Creditors with Proven Claims shall comprise one class, being the Unsecured Creditors Class.

3.5 Disputed Claims

An Unsecured Creditor with a Disputed Claim shall not be entitled to receive any rights hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim.

The procedure for resolving any Disputed Claim will be as set forth in the BIA. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in resolving any Disputed Claim, if required, to ascertain the result of any vote on the Proposal or the amount payable to such Unsecured Creditor under the Proposal, as the case may be.

3.6 Transfer of Claims

If, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another person, neither the Trustee nor the Debtor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Trustee in writing and thereafter such transferee or assignee shall, for the purposes of this Proposal, constitute a "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Proposal prior to receipt and acknowledgement by the Trustee of satisfactory evidence of such transfer or assignment.

No transfer or assignment shall be effective for voting purposes at the Meeting unless sufficient notice and evidence of such transfer or assignment has been received by the Trustee no later than 5:00 pm Newfoundland Time on the date that is two days before the date of the Meeting, failing which the original Creditor shall have all applicable rights as the "Creditor" with respect to such Claim as if no transfer or assignment of the Claim had occurred.

3.7 Corporate Action

All corporate actions contemplated by this Proposal shall have been authorized and approved in all respects (subject to the provisions of this Proposal). All matters provided for in this Proposal shall have timely occurred and be in accordance with all applicable laws. The director of the Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by this Proposal, in the name of and on behalf of the Debtor.

3.8 Directors' Liabilities

Pursuant to Section 50(13) of the BIA, the acceptance of this Proposal by Creditors and approval by the Court and full performance of its terms by the Debtor shall compromise and release any claims against the directors of the Debtor where such directors' liabilities arose (or were deemed to have arisen) prior to the Filing Date and that relate to such obligations of the Debtor where the directors are by law liable in their capacity as directors for the payment of such obligations.

3.9 BIA Sections 95 to 101

It is a term of this Proposal that sections 95 to 101, inclusive, of the BIA, shall not apply with respect to this Proposal and the Debtor.

ARTICLE 4 PRIORITY PAYMENTS

4.1 Trustee Fees and Expenses

For purposes of this Proposal, all proper fees of the Trustee and the reasonable expenses and legal costs of the Trustee, on and incidental to the proceedings arising out of this Proposal (including the preparation of this Proposal) shall be paid in priority to all claims of the Preferred Creditors, Unsecured Creditors and Subsequent Creditors. Such fees shall be based on the time expended and charged by the Trustee and its legal counsel at their normal billing rates as set from time to time.

4.2 Payments to Priority Creditors

The Debtor shall make payments to Priority Creditors with Proven Claims in accordance with the provisions of the BIA and, in particular:

- a) all Crown Claims that were outstanding at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a province, within six months after the Court has granted the Approval Order; and
- b) all employees and former employees of the Debtor shall, immediately after the Court has granted the Approval Order, be paid amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor had become bankrupt on the Filing

Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before the Court grants the Approval Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Debtor's business after the Filing Date and before the Court grants the Approval Order.

The Debtor did not sponsor any prescribed pension plans for the benefit of its employees or former employees.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Conditions Precedent to Implementation of the Proposal

The implementation of this Proposal by the Debtor is subject to the satisfaction of the following conditions precedent:

- a) this Proposal being approved by the Required Majority of the Unsecured Creditor Class;
- b) the Court Approval Order has been issued and has not been stayed; and
- c) all other actions, documents, and agreements necessary to implement this Proposal shall have been effected and executed.

ARTICLE 6 DELIVERY OF NOTICES UNDER THIS PROPOSAL

6.1 Notices and Payments to Affected Creditors

Any notices and correspondence to Affected Creditors under or in relation to this Proposal shall be delivered to the electronic mailing address provided by each Affected Creditor in their Proof of Claim unless the Debtor and the Trustee are notified by an Affected Creditor in writing of an alternative electronic mailing address for delivery.

ARTICLE 7 MEETING OF AFFECTED CREDITORS

7.1 Meeting

The Meeting shall be held at a time and place to be established by the Trustee in consultation with Official Receiver, or the nominee thereof, after the filing of this Proposal with the Official Receiver and confirmed in the notice of meeting sent by electronic mail by the Trustee pursuant to the BIA. The procedure governing the Meeting, shall be subject at all times to (i) any order of the Court, including without limitation, any order respecting COVID-19 related creditor meeting protocols; and (ii) any COVID-19 related creditor meeting directives issued by the Official Receiver.

7.2 Participation in Meeting

In order to be eligible to vote at the Meeting, an Affected Creditor must have delivered a Proof Claim to the Trustee prior to the date and time of the Meeting. The procedure for dealing with the disallowance of Proofs of Claim is set out in section 135 of the BIA.

7.3 Conduct of the Meeting

The Official Receiver or its nominee shall chair the Meeting and shall decide any questions or disputes arising at the Meeting and any Affected Creditor may appeal any such decision to the Court. The Meeting can be adjourned by ordinary resolution of the Affected Creditors to a time and date set by the chair as set out in section 52 of the BIA.

7.4 Inspectors

At the Meeting, the Affected Creditors may appoint one (1) or more, but not exceeding five (5), Inspectors. The Inspectors shall have only the following powers:

- a) the power to extend the dates of payments provided for under this Proposal;
- b) the power to waive any default in the performance of any provision of this Proposal;
- c) the power to approve interim and final statements of receipts and disbursements of the Trustee, including the power to approve proposed dividends and reasonable fees and disbursements of the Trustee;
- d) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and
- e) the power to advise the Trustee concerning any dispute that may arise to the validity of a Proof of Claim filed by a Claimant.

In the event Affected Creditors do not elect to appoint Inspectors under this Proposal, the Court shall approve the fees and disbursements of the Trustee for services rendered by it pursuant and in relation to this Proposal.

The Trustee and the Inspectors, should any be appointed, shall be exempt from all personal liability for any wrongful act, default, or neglect (other than fraud, wilful misconduct, or gross negligence) in fulfilling any duties or exercising any powers conferred upon them by this Proposal, the BIA or generally in carrying out the terms of this Proposal.

7.5 Voting

This Proposal is to be voted on by the Unsecured Creditor Class at the Meeting.

This Proposal must be approved by the Required Majority of the Unsecured Creditor Class. For the purpose of voting as a member of the Unsecured Creditor Class, each Affected Creditor shall have one vote for the purposes of determining a majority in number and each Affected Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

For greater certainty, any creditor who is a Related Party of the Debtor, within the meaning of the BIA, may vote against but not for the acceptance of this Proposal.

7.6 Proxies and Voting Letters

Affected Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with

respect to voting by proxy or voting letter will be detailed in correspondence and other materials to be delivered by the Trustee reasonably in advance of the Meeting.

ARTICLE 8 RELEASES

8.1 Release of D&O Claims

All released D&O Claims shall be fully, finally, irrevocably, and forever compromised, released, discharged, cancelled, and barred without consideration on the Effective Date. For greater certainty, any Claim of a Director or Officer against the Debtor for indemnification or contribution in respect of any D&O Claim shall be treated for all purposes under the Proposal as a Claim and will be compromised, released, discharged, cancelled, and barred.

ARTICLE 9 AMENDMENTS AND MODIFICATIONS

9.1 Amendment of Proposal before the Meeting

The Debtor reserves the right, with the consent of the Trustee, at any time prior to the Meeting to file an amendment or supplement to this Proposal by way of amended or supplementary Proposal. Any such amended or supplementary Proposal shall forthwith be sent to the Affected Creditors and filed with the Official Receiver as soon as practicable, in which case, any such amended or supplementary Proposal shall, for all purposes, be and be deemed to be a part of and incorporated into this Proposal. At the Meeting, the Debtor and/or the Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the votes being taken to approve this Proposal.

9.2 Modification of Proposal after the Meeting

After the Meeting, this Proposal may be modified from time to time:

- a) if the amendment is considered by the Trustee and the Inspectors, if any, to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors, if any;
- b) upon a vote conducted by the Trustee at a further meeting of the Affected Creditors, provided that the modification is approved by the Required Majority;
- c) by the Court, pursuant to Rule 92 of the Bankruptcy and Insolvency General Rules, CRC 1978, c. 368, as amended, at the application for the Approval Order; and
- d) by the Court at any time on application by the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether an Affected Creditor or not.

9.3 Waivers

Any provision of this Proposal may be waived with the consent of the Trustee, by the Unsecured Creditor Class, or by an Affected Creditor affected by the provision.

**ARTICLE 10
APPLICATION FOR APPROVAL ORDER**

10.1 Application for Approval Order

If this Proposal is approved by the Required Majority of the Unsecured Creditor Class, following the conclusion of the Meeting, the Trustee shall apply within five days to the Court for the Approval Order. The Trustee will, in accordance with section 58 of the BIA, provide the Affected Creditors with at least fifteen days' notice of the hearing for the application for the Approval Order.

10.2 Stay of Proceedings

The stay of proceedings provided for in section 69.1(1) of the BIA shall continue in full force and effect from the Filing Date until the Trustee has been discharged or, if the Debtor become bankrupt, the date of bankruptcy.

**ARTICLE 11
GENERAL**

11.1 Further Actions

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal to give effect to the transactions contemplated hereby.

On the Completion Date, the Trustee shall provide to the Debtor and to the Official Receiver a certificate pursuant to section 65.3 of the BIA. The Trustee shall be entitled to seek its discharge at the appropriate time in accordance with the BIA.

11.2 Notices to the Debtor or Trustee

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Debtor or the Trustee shall be in writing and shall be delivered either personally, by email transmission, by facsimile transmission or by prepaid courier service, at the following address:

a) if to the Debtor:

Pathway Construction Ltd.
45 Marine Drive
Clarenville, Newfoundland and Labrador, A5A 1M5, Canada

Attention: Keith Chard

Email: keithchard@pathwayconstruction.ca

b) if to the Trustee:

BDO Canada Limited
Trustee in the proposal of
Pathway Construction Ltd.
255 Lacewood Drive, Suite 201
Halifax, Nova Scotia, B3M 4G2, Canada

Attention: Miranda Mavhunga

Facsimile: 902 425 3777
Email: mmavhunga@bdo.ca

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or the day of sending by electronic mail or facsimile transmission, provided that such day is either a Business Day and the communication is so delivered, emailed, or faxed before 5:00 p.m. (Atlantic time zone) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

11.3 Successors and Assigns

This Proposal is binding upon the Debtor, the Affected Creditors and their respective heirs, executors, administrators, successors, and assigns.

11.4 Governing Law

This Proposal will be governed by and construed in accordance with the laws of Newfoundland and Labrador and the laws of Canada applicable therein.

DATED at Clarenville, Newfoundland and Labrador, Canada this 12th day of December 2023.

Pathway Construction Ltd

Per:



Name: Keith Chard
Title: Director of Pathway Construction Ltd.

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “F”
to the Second Report of the Proposal Trustee



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Newfoundland and Labrador
Division No. 01 - Newfoundland and Labrador
Court No. 24615
Estate No. 51-2992411

In the Matter of the Proposal of:

Pathway Construction Ltd.

Debtor

BDO CANADA LIMITED / BDO CANADA LIMITÉE

Licensed Insolvency Trustee

Date of Proposal:	December 12, 2023	Security:	\$
Meeting of Creditors:	January 11, 2024, 11:00 Dial +1 437-703-5279 or +1 833-215-3238 Conference ID: 206 200 490, Meeting ID: 244 044 021 53 Passcode:Ly6EFY, Newfoundland and Labrador Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: December 12, 2023, 14:49

E-File/Dépôt Electronique

Official Receiver

Maritime Centre , 1505 Barrington Street, 16th Floor, Halifax, Nova Scotia, Canada, B3J3K5, (877)376-9902

Canada

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “G”
to the Second Report of the Proposal Trustee



Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
debtsolutions-halifax.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 51-2992411
Court No: 24615

SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
In Bankruptcy

TO THE CREDITORS OF PATHWAY CONSTRUCTION LTD. ("PATHWAY")

Dear Sir/Madam:

Please be advised that Pathway has lodged with the Trustee a proposal (the "Proposal") under the Bankruptcy and Insolvency Act ("BIA").

A general meeting of the creditors to consider the Proposal will be held on **January 11, 2024 at 11 AM Newfoundland Time** (the "Creditors' Meeting"). The Creditors' Meeting will be held virtually via Teleconference / Videoconference.

Dial in Option

The Teleconference Dial in Number is +1 437-703-5279 or +1-833-215-3238 and the Phone Conference ID is **206 200 490**

Joining Via Microsoft Teams

Meeting ID: 244 044 021 53 and Passcode: Ly6EFY

If you wish to attend the Creditors' Meeting via Teleconference / Videoconference, you will find enclosed information regarding how to access the Dial in Number, Videoconference link, documents required to be submitted to the Trustee ahead of the Creditors' Meeting and how the Creditors' Meeting will proceed.

As required by Section 51.(1) of the BIA, we enclose the following documents for your inspection and file:

- Certificate of Filing of a Proposal
- The Proposal
- The Trustee's Report on the Proposal
- Statement of Affairs
- Proof of Claim
- Proxy
- Voting Letter
- Supplemental Information for Meeting of Creditors and Pre-Registration Form

In order to record your vote on the Proposal, you are required to file with the Trustee a valid Proof of Claim, supported by a proper Statement of Account, prior to the time scheduled for the Creditors' Meeting. If you cannot attend the Creditors' Meeting, you may file a Proxy in favor of anyone you may wish in order to vote at the Creditors' Meeting, or you may vote by completing the Voting Letter and forwarding it to the Trustee. In order for the Voting Letter to be considered by the Trustee, a properly proven Proof of Claim must be filed with the Trustee prior to the Creditors' Meeting. If you wish, and solely at your discretion, you may nominate the Trustee as your proxy, and, in this regard, we advise that **any proxies completed in favour of the Trustee without a Voting Letter will be voted in favour of the Proposal unless the creditor specifically indicates otherwise to the Trustee in writing.**

You may file your Proof of Claim, Proxy, and Voting Letter with the Trustee by regular mail, fax (902-425-3777), or electronic mail (corporateclaims@bdo.ca). We encourage you to file these documents with us as soon as possible in order that we may review them before the Creditors' Meeting and, where adjustments are necessary, the Trustee can contact you to facilitate any corrections or changes in time to enable you to vote at the Creditors' Meeting.

The creditors or any class of creditors qualified to vote at the Creditors' Meeting may by resolution accept the Proposal either as made or as altered or modified at the Creditors' Meeting. If so accepted and if approved by the Court, the Proposal is binding on all creditors.



If you have any questions for Management, please contact them directly using your existing contact information.

If you have any questions relative to the Proposal process, please do not hesitate to contact the Trustee via email at mmavhunga@bdo.ca or by phone at +1 902 425 3380.

Dated at Halifax, Nova Scotia, this 18th day of December 2023.

BDO CANADA LIMITED

Acting in its capacity as
Licensed Insolvency Trustee under the
Proposal of Pathway Construction Ltd.
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read 'Neil Jones'.

Neil Jones, CA, CPA, CIRP, LIT
Senior Vice-President

Enclosures

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “H”
to the Second Report of the Proposal Trustee

CANADA
PROVINCE OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland and Labrador
COURT Nos. 24615
ESTATE Nos. 51-2992411

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

AN INSOLVENT

AFFIDAVIT

Proving Service of Notice on Creditors and Insolvent
of the First Meeting of Creditors

I, the undersigned, Laura Hartlen , of BDO Canada Limited, Trustee in the matter of the above Notice of Intention to Make a Proposal, hereby make oath and say:

That on the 18th and 19th day of December, 2023, I did send in the prescribed form by one or more of the various delivery methods prescribed in Rule 6(1) of the Bankruptcy and Insolvency Act to the above-named insolvent, to all known creditors in the above Proposal as set out in Appendix "A" attached hereto, to the Superintendent of Bankruptcy, and to the Registrar in Bankruptcy, a true copy of the notices required pursuant to Sections 51(1) and 66(1) of the Bankruptcy and Insolvency Act.

SWORN BEFORE ME
in the Halifax Regional Municipality,
Province of Nova Scotia
this 10th day of, January 2024.



A Commissioner of the Supreme Court of
Nova Scotia

CATHERINE MORRIS
A Commissioner of the Supreme
Court of Nova Scotia
Expires May 24, 2028

- Creditor Mailing List -

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

"A"

Creditor Type	Name	Attention	Address
Director	Keith Wayne Chard		45 Marine Drive Clarenville NL A5A 1L3
Deferred	Eastern Roof & Floor Truss (2008 Inc)		27 Forest Road P. O. Box 17 Lethbridge NL A0C 1V0
Secured	Bank of Montreal		1675 Grafton Street, Suite 1400 Halifax NS B3J 0E9
	CNH Capital Canada Ltd.	Kelly Nicholas	301 - 4475 North Service Road Burlington ON L7L 4X7 Fax: (905) 632-6868 cscanada@cnhind.com
	CWB National Leasing Inc./ (formerly National Leasing Group Inc)	Bankruptcy Designate	1525 Buffalo Pl Winnipeg MB R3T 1L9 Fax: (866) 408-4852 debtenforcement@cwbnationalleasing.com
	Ford Credit Canada Limited	Bankruptcy Department	Box 1800 RPO Lakeshore West Oakville ON L6K 0J8 Fax: (780) 443-5367 bbankrup@ford.com
	RCAP Leasing Inc.	Collection Department	300 - 5575 North Service Road Burlington ON L7L 6M1 Fax: (905) 639-1363 rcap.collections@rcapleasing.com
	Scotiabank c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Vault Credit Corporation		5 - 41 Scarsdale Rd Toronto ON M3B 2R2 support@vaultcredit.ca
	Wells Fargo Financial Corporation Canada	Bankruptcy Department	PO Box 250, Station A Mississauga ON L5A 3A1 Fax: (866) 893-3630 wffccspecialty@wellsfargo.com
Unsecured	Adams Electrical Inc		211 Nicholsville Rd. Deer Lake NL A8A 1W5
	Allnorth Consultants Ltd.		PO Box 968 Prince George BC V2L 4V1
	Allstar Rebar Ltd		PO Box 3244, Stn Main Paradise NL A1L 1A0
	Apex Construction Specialties Inc.		P O Box 8776, Stn A St. John's NL A1B 3T2
	ARROW Construction Products Limited		P. O. Box 760 Fredericton, NB E3B 5B4

- Creditor Mailing List -

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

Creditor Type	Name	Attention	Address
Unsecured	Atlantic Industries Ltd.		32 York Street P O Box 6161 Sackville NB E4L 1G6
	Atlantic Ready Mix		PO Box 353 Corner Brook NL A2H 6E3
	Benley Ventures Ltd.		P.O. Box 123 Baytona NL A0G 2J0
	BFL Canada Risk and Insurance Services Inc		181 University Ave Suite 1700 Toronto ON M5H 3M7
	Brandt		PO Box 480 Grand Falls - Winsor NL A2A 2J9
	Cabot Timber Mart		276 Balbo Drive Clarenville NL A5A 4B3
	Canada Revenue Agency-Payroll		1050 Notre Dame Avenue Sudbury Tax Centre Sudbury ON P3A 5C2
	Canadian Tire Mastercard - Fuel		N/A NL
	Carma Construction Ltd		P. O. Box 790 Bonavista NL A0C 1B0
	CARQUEST Canada Ltd 28		138 Bennett Drive Gander NL A1V 2E4
	Central Cashier's Office		P.O. Box 8700 St. John's NL A1B 4J6
	Central Hydraulics and Supply		6A Earle Street Grand Falls-Winsor NL A2B 1H5
	City of St. John's		P.O. Box 908 St. John's NL A1C 5M2
	City Tire & Auto - Corner Brook		38 Confederation Drive Corner Brook NL A2H 6J3
	Clarkes Trucking & Exc. Ltd.		163 Paradise Road Paradise NL A1L 2Y1
	Classic Truck & Trailer Tirecraft		26 Kyle Ave Mount Pearl NL A1N 4R5
	Clifford Cooper Construction Ltd		General Delivery Old Shop, Trinity Bay NL A0B 2W0
	Coastal Entrance Solutions		146 Glencoe Drive Mount Pearl NL A1N 4P7
	Competitive Edge		P. O. Box 323 Gander NL A5A 1M5
	CRA - GST/HST - Sudbury	Quebec Insolvency Intake Centre	
Dasit Recharging JMC Limited			88 Main Street Grand Falls-Windsor NL A2B 1J6

- Creditor Mailing List -

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

Creditor Type	Name	Attention	Address
Unsecured	Dooleys Trucking		60 Ward Street P. O. Box 398 Gander NL A1V 1W8
	ER Heating and Refrigeration (2017) Limited		13 Myers Ave Clarenville NL A5A 1T5
	Esso l'Imperiale - C460; 463; 464; 465; 466 Proposals	a/s FCT Default Solutions Département d'Insolvabilité	PO Box 2514, Stn B London ON N6A 4G9 Fax: (647) 439-1419 dsinsolvency@collectlink.com
	Floyd's Construction Limited		P. O. Box 45 Rocky Harbour NL A0K 4N0
	Fortis Concrete Inc.		P. O. Box 9134 Clarenville, NL A5A 2C2
	Greenwoods HHBC		Route 234, 1 Main St. Lethbridge NL A0C 1V0
	H. WAREHAM & SONS LIMITED		49 McCurdy Drive Gander NL A1V 1A1
	Harvey Gale & Son Limited		P. O. Box 683 241 Carolina Avenue Stephenville NL A2N 3B5
	Hercules		520 Windmill Rd. Dartmouth NS B3B 1B3
	Horwood's Limited		245 Grenfell Heights Grand Fall-Windsor NL A2A 2J2
	Iron Rock Equipment Ltd		615 Carol Drive Labrador City NL A2V 1S6
	Jewer Bailey Consultants ULC		75 Tiffany Court St. John's NL A1A 0L1
	Kent		P. O. Box 1200 Saint John NB E2L 4G7
	King Process Technology Inc		4 Brentwood Ave Portugal Cove-St. Phillips NL A1M 0B2
	Log Max		P.O. Box 1398 Moncton NB E1C 8T6
	Madsen Construction Equipment		141 Glencoe Drive Mount Pearl NL A1N 4S7
	Manuel's Metal Recycling Limited		Box 657 Lewisporte NL A0G 3A0
	Marwood Ltd.		Postal Station A PO Box 338 Fredericton NB E3B 4Z9
	Meridian Onecap Credit Corporation (formerly Roynat Lease Finance - Toronto)		PO Box 30597 RPO Madison Burnaby BC V5C 6J5 collections@meridianonecap.ca
	Modern Printing Group		1037 Topsail Rd Mount Pearl NL A1N 5E9
	P & B Trucking		13 Industrial Park Springdale NL A0J 1T0

- Creditor Mailing List -

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

Creditor Type	Name	Attention	Address
Unsecured	Parts for Trucks		15 MacDonald Ave Darthmouth NS B3B 1C6
	Paul Equipmnet & Sons (2008)		CP/Box 2535 55 Rue Drapeau Street Balmoral NB E8E 2W7
	Pete Noseworthy		N/A NL
	Provall Parts Limited		7 Blackmore Avenue Clarenville NL A5A 1B8
	Quality Component Repair		2-42 Brandon St Moncton NB E1C 7E6
	R Coates Contracting		P. O. Box 156 Glenwood NL A0G 2K0
	R&R HVAC and Controls Ltd		961 CBS Highway Conception Bay South NL A1X 7T2
	RCAP Leasing Inc.	Collection Department	300 - 5575 North Service Road Burlington ON L7L 6M1 Fax: (905) 639-1363 rcap.collections@rcapleasing.com
	Richard Power CPA		221E Memorial Drive Clarenville, NL A5A 1R3
	Riverbend Freight Services Ltd		26 Kyle Avenue Mount Pearl NL A1N 4R5
	S&H Construction Ltd		P.O. Box 9132 Clarenville NL A5A 2C2
	Shagg Island Enterprises Ltd.		P. O. Box 293 Musgravetown NL A0C 1Z0
	South Coast Construction Inc.		2 Fish Plant Road P. O. Box 369 Burgeo NL A0N 2H0
	Stephenson's Services (2006) Limited		P. O, Box 180 Bloomfield NL A0C 1A0
	T & G Woodworks		Site 3 Box 8 Appleton NL A0G 2K0
	Technical Lift and Transport Limited		37 Tobins Road St. John's NL A1E 6A3
	Town Of Clarenville		99 Pleasant Street Clarenville NL A5A 1V9
	Town of Georges Brook - Milton		149 Trinity Drive Georges Brook-Milton NL A5A 0L4
	Town of Ramea		P.O. Box 69 Ramea NL A0N 2J0
	United Rentals of Canada, Inc.		Postal Station A P O Box 4526 Toronto ON M5W 5Z9
Vardy Villa Limited		129 Cormack Drive Clarenville NL A5A 1M5	

- Creditor Mailing List -

In the Matter of the Proposal of
Pathway Construction Ltd.
of the Town of Clarenville, in the Province of Newfoundland and Labrador

Creditor Type	Name	Attention	Address
Unsecured	Wajax		PO Box 11790 Dept 29 M9082C/U Succursale Centre-Ville QC H3C 0C4
	Western Pumps Services		P. O. Box 39 Norris Point NL A0K 3V0
	Workplace Health & Safety		146-148 Forest Rd St. Johns NL A1A 3B8

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “I”
to the Second Report of the Proposal Trustee



Telephone: (902) 425-3100
Fax: (902) 425-3777
Toll Free: (800) 337-5764
debtsolutions-halifax.ca

BDO Canada Limited
255 Lacewood Drive
Suite 201
Halifax NS B3M 4G2 Canada

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

**THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
GENERAL DIVISION, IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF:

PATHWAY CONSTRUCTION LTD.

Report of the Proposal Trustee on the Proposal

SECTION A - BACKGROUND & TERMS OF REFERENCE

Pathway Construction Ltd. (“Pathway” or the “Company”) was incorporated in Newfoundland and Labrador on June 3, 2015. The listed directors and shareholders of Pathway are Mr. Keith Chard and Mr. Jeffery Stuckless (the “Directors”). The registered head office of Pathway is 45 Marine Drive, Clarenville, Newfoundland and Labrador, Canada. The Company operates a civil and industrial construction company.

On September 28, 2023 (the “Filing Date”), Pathway filed a Notice of Intention to make a proposal (“NOI”) pursuant to Section 50.4 of the Bankruptcy and Insolvency Act (“BIA”). BDO Canada Limited (“BDO”) was appointed as the Licensed Insolvency Trustee (the “Proposal Trustee”) under the NOI.

On October 27, 2023, with consent of the Company’s principal secured creditor, the Bank of Montreal (“BMO”), the Supreme Court of Newfoundland and Labrador in Bankruptcy (the “Court”) granted an order approving the extension of time to allow the Company to work towards filing a proposal to its creditors to December 13, 2023.

On December 12, 2023, the Company filed a proposal for the general benefit of its creditors (the “Proposal”) pursuant to section 62.(1) of the BIA.

In preparing this report (the “Report”), BDO has relied upon financial information of the Company, and discussions with the Directors.

The financial information of the Company has not been audited, reviewed, or otherwise verified by the Proposal Trustee as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that the Report may not disclose all significant matters about the Company. Additionally, none of our procedures were intended to disclose defalcations or other irregularities. Accordingly, the Proposal Trustee does not express an opinion or provide any other form of assurance on the financial or other information presented herein. The Proposal Trustee may refine or alter its observations as further information is obtained or brought to its attention after the date of the Report.

The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Report. Any use which any party makes of this Report, or any reliance or decisions to be made on the Report, is the sole responsibility of such party.

All dollar amounts identified in this Report are expressed in or converted to Canadian dollars.

Capitalized terms used in this Report shall bear the meanings ascribed to them in the Proposal, unless otherwise noted.

SECTION B - SUMMARY OF PROPOSAL

The Proposal filed by the Company is an operating proposal that will be funded through cash flow generated from Pathway's future operations. In addition, the Company will realize upon the Assets which are redundant in its current operations, namely a Bobcat Mini Excavator, MacTag Trailer and a JCB Backhoe, for purposes of providing a source of cash flow to maintain business operations during the Proposal Period.

The terms of the Proposal are summarized as follows:

1. Article 2.3 of the Proposal states that payments to Secured Creditors shall be made in accordance with existing agreements between such Secured Creditors and the Debtor as amended from time to time or as may be arranged in the future between the Debtor and the Secured Creditors. Payments will continue to be made directly from Pathway to the Secured Creditors.
2. As noted in Article 2.6, the Debtor will remit all necessary installments to the Canada Revenue Agency ("CRA") in accordance with the provisions of the Income Tax Act and Excise Tax Act, submit required tax returns, together with amounts due, if any; during the Proposal Period.
3. As noted in Article 3.1, the Preferred Creditors and Unsecured Creditors are to be paid from funds deposited with the Proposal Trustee, which will total \$264,000 paid in equal quarterly installments of \$22,000 over a period of three years.
4. As noted in Article 3.2, payments to Preferred Creditors and Unsecured Creditors for Proven Claims will be made in the following order after payment of the Priority Payments referred to in Article 4 to the extent of the Proposal Proceeds:
 - i. Proven Claims of Preferred Creditors as at the Filing Date, being those creditors with claims provable pursuant to Section 136 of the BIA;
 - ii. The first \$2,000 of any Unsecured Creditor's Proven Claim, but not exceeding the amount of the Unsecured Creditor's Proven Claim if less than \$2,000 (the "Convenience Claim portion"), will be paid in full, without interest; and
 - iii. On a pro-rata basis, in full and final satisfaction of Unsecured Creditors' Proven Claims (which are to include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of transactions entered into by Debtor prior to the Filing Date), payment from the Proposal Proceeds, less payment made towards the Convenience Claim, without interest.

Dividends to Preferred Creditors and Unsecured Creditors for Proven Claims shall be paid annually, with the first payment shortly following March 31, 2025, followed by two (2) additional payments shortly following March 31, 2026 and March 31, 2027, respectively.

Further, Deferred Creditors, namely any claim owed to Eastern Roof and Floor Truss Manufacturing (2008) Inc. ("Eastern"), a related company owned and operated by Mr. Chard, shall not receive any distribution in this Proposal.

5. As noted in Article 3.3, all payments made to the Preferred Creditors and Unsecured Creditors are subject to a levy payable to the Office of the Superintendent of Bankruptcy pursuant to the BIA.
6. As noted in Article 4.1, professional fees owing to the Proposal Trustee, and its legal counsel, if applicable, are to be paid in priority to any amounts distributed to Preferred Creditors and Unsecured Creditors.

7. As noted in Article 4.2, the Debtor shall make payments to Priority Creditors with Proven Claims in accordance with the provisions of the BIA, namely, Crown Claims owing to CRA for source deductions that were stayed at the Filing Date.

The terms of the Proposal are conditional on being accepted by the Required Majority of the Unsecured Creditor Class and approval by the Court.

SECTION C - FINANCIAL POSITION AND CAUSES OF FINANCIAL DIFFICULTY

In early 2022, Pathway completed a project for Dandy Dans Fish Market Ltd. ("Dandy Dans"). Pathway incurred costs of \$461,930 and expected to realize revenue of \$535,726. Dandy Dans made payments totaling \$70,000 leaving \$529,676 outstanding, including \$63,950 in interest. Pathway made significant attempts to recover this amount which remains outstanding. Pathway is currently pursuing legal action against Dandy Dans to recover and enforce any award or judgement granted to Pathway in connection with or as a result of a litigation claim.

Not receiving the amount outstanding from Dandy Dans has had a profoundly detrimental impact on the Company's cash flows, hindering its ability to cover essential operational costs. As a result, Pathway was forced to dip into its reserves or take on debt to bridge the financial gap. The Company's financial stability steadily eroded leading to the inability to sustain day-to-day operations and service outstanding debts, forcing the Company into insolvency.

These constraints were further impacted by reduced activity in the construction industry and loss of significant contracts during the COVID-19 pandemic, as well as the surge in project costs due to inflation.

The Company has taken the following steps to manage its financial challenges:

- i. Management implemented salary reductions for Mr. Chard and laid off a Project Manager;
- ii. Eastern has loaned funds to Pathway and continues to advance short term loans to alleviate short term liquidity crunches; and
- iii. The Company entered into informal cost sharing arrangements with Eastern for common services.

The Company's latest produced external unaudited financial statements was as at year end December 31, 2022. The Company's latest internal financial records are as at September 28, 2023. Detailed analysis of the Company's estimated current financial position is provided in Section D below.

SECTION D - IDENTIFICATION AND EVALUATION OF ASSETS

According to the Proposal Trustee's review of the Company's internal financial records, the Company's assets and estimated realizable value (in a liquidation) is summarized below:

Estimated Realizable Value	Estimated Book Value	Bankruptcy	
		Low	High
Assets			
Accounts Receivable	529,676	-	-
Equipment under Lease	595,576	-	-
Equipment under BMO Security	110,712	44,285	60,892
	706,288	44,285	60,892
Less			
Priority claims - Source Deductions		(34,018)	(34,018)
Claims of Secured Creditors		(475,000)	(475,000)
		(509,018)	(509,018)
Estimated Net Realization		-	-

The estimated realizations contained in this Report are based on the Proposal Trustee's review of the Company's internal financial records as at December 12, 2023, and discussions with the Directors. The realization value of the Company's assets are estimated as at January 11, 2024, the date of deemed bankruptcy if the Proposal is not accepted by the Unsecured Creditors and approved by the Court.

As noted in Section C of this Report, the Company's accounts receivable balance is comprised entirely of the amount outstanding from Dandy Dans. In a bankruptcy scenario, the Proposal Trustee estimates that this amount would be unrecoverable unless creditors are willing to fund the litigation claim.

Pathway owes approximately \$512,481 to its equipment lessors. In a bankruptcy scenario, the Proposal Trustee would recommend surrendering the leased assets. This decision is based on the estimated market value of the assets, which, when netted against what is owed to the lessors and factoring in the costs associated with arranging the sale and negotiating releases of the assets, would outweigh any potential benefit to be derived from realizing on the assets.

The Proposal Trustee estimates the net realizable value of the equipment not subject to leasing arrangements would range between \$44,000 and \$60,000 in a liquidation scenario, after considering selling costs. The equipment not subject to leasing arrangements is subject to BMO's general security agreement. In the event of bankruptcy, the realization from the sale of these assets less payments to priority creditors would be directed towards settling the Company's obligations with BMO.

As of January 11, 2024, the date of a deemed bankruptcy, the Company will owe approximately \$34,000 in payroll source deductions, inclusive of pre-filing amounts of \$19,000. It is pertinent to highlight that these obligations rank in priority to all other creditors. In essence, any realization from a bankruptcy scenario would be nil for unsecured creditors, as the CRA deemed trust claim for source deductions and the secured claim of BMO would take precedence.

SECTION E - CONDUCT OF THE DEBTORS

The Proposal Trustee has reviewed transactions that occurred prior to and after the filing of the NOI. The Proposal Trustee notes that majority of the transactions appear to have been conducted in the normal course of business with the exception of the following:

1. During the month of September 2023, payments were made to the CRA for Harmonized Sales Tax (HST) totaling \$62,873, and for payroll source deductions totalling \$55,965. These payments, given their substantial nature, stand out as atypical.

2. Payments totalling \$12,616, relating to outstanding cheques that were issued prior to the filing of the NOI for pre-filing obligations, cleared during the post-filing period. It has been observed that these cheques cleared the bank subsequent to the filing as a stop payment order was not issued by management.

Management has provided insight into the decision to make payments to CRA prior to filing the NOI. According to management, in early September 2023, a CRA agent had initiated inquiries and recommended making payments for outstanding amounts due to CRA to avoid the issuance of an Enhanced Requirement to Pay (ERTP) and the subsequent freezing of bank accounts. The payments were made as a precautionary measure to prevent potential disruption in operations, as the freezing of bank accounts would have significantly impacted the Company's ability to continue its regular business activities.

Management advised the Proposal Trustee that the decision was also influenced by a previous experience where the CRA had frozen the Company's bank accounts several months prior. This previous incident had resulted in operational challenges, prompting management to take proactive measures to prevent a recurrence. By making the payments to the CRA before filing the NOI, the Company aimed to maintain liquidity, ensuring operations continued without interruption.

In the Proposal Trustee's view, the Company and its Director have acted and continue to act in good faith and with due diligence. The Proposal Trustee is not aware of any offences under the BIA having been committed during the Proposal Period.

SECTION F - CREDITOR CLAIMS

According to the internal financial records provided to the Proposal Trustee, the Company's Creditors as of the filing date are comprised of:

Creditor Summary	Approx. No.	Balance
Secured Creditors	8	987,481
Priority Creditors	1	19,018
Unsecured Creditors	71	717,965
Deferred Creditors	1	152,778
	81	1,877,242

The Proposal Trustee is not aware of any material discrepancies between the amounts contained within the books and records of the Company and the expected claims to be filed by Creditors. Any discrepancies will be investigated by the Proposal Trustee.

SECTION G - PREVIOUS DEALINGS WITH THE DEBTORS

Prior to the NOI filing, BDO had no previous dealings with the Company. Further, BDO confirms that it is not aware of any conflict of interest arising from the acceptance of this appointment as Proposal Trustee.

SECTION H - INFORMAL MEETINGS WITH CREDITORS

The Proposal Trustee participated in informal meetings with Pathway's management and BMO, the Company's principal Secured Creditor, to obtain cooperation and the support of BMO throughout the NOI period. There were no informal meetings held with Unsecured Creditors of the Company prior to the filing of the Proposal.

SECTION I - REMUNERATION OF THE PROPOSAL TRUSTEE

The Proposal Trustee's professional fees during the Proposal Period are to be funded by the proposal proceeds.

SECTION J - STATEMENT OF ESTIMATED REALIZATION

The Proposal Trustee estimates the net distribution to the Unsecured Creditors under the Proposal and a potential bankruptcy scenario as follows:

Statement of Estimated Realizations	Estimated Book Value	Proposal	Bankruptcy	
			Low	High
Accounts Receivable	529,676	-	-	-
Equipment Under Lease	595,576	-	-	-
Equipment under BMO Security	110,712	-	44,285	60,892
Proposal Proceeds	-	264,000	-	-
	<u>706,288</u>	<u>264,000</u>	<u>44,285</u>	<u>60,892</u>
Less: Claims of Priority Creditors		-	(34,018)	(34,018)
Less: Claims of Secured Creditors		-	(475,000)	(475,000)
Less: Professional fees		(40,000)	(20,000)	(15,000)
		<u>(40,000)</u>	<u>(529,018)</u>	<u>(524,018)</u>
Estate Balance		224,000	-	-
Levy to OSB		(11,200)	-	-
Available for distribution to Unsecured Creditors		212,800	-	-
Total Unsecured Creditor Claims		717,965	717,965	717,965
Dividend yield		<u>30%</u>	<u>0%</u>	<u>0%</u>

It is estimated that the net recovery to Unsecured Creditors if the Proposal is successful will be in the range of thirty (30) cents on the dollar net of payment of CRA's s.60(1)(1.1) BIA source deductions priority claim, administration costs of the estate, and the s.147 BIA levy. As noted in the estimated realization schedule above, the recovery to Unsecured Creditors under the terms of the Proposal is expected to exceed that which would become available in a bankruptcy administration should the Proposal not be accepted by the Required Majority of Unsecured Creditors and a bankruptcy were to ensue as all estimated asset realizations are subject to CRA's source deduction priority claim and security held by BMO.

SECTION K - RECOMMENDATIONS

The Proposal Trustee understands that Pathway's management is committed to the making of a successful Proposal and, as a result, has taken steps to ensure that the funds that are required to be contributed pursuant to the terms of the Proposal will be available at the prescribed time.

The Proposal Trustee believes that this Proposal provides an opportunity for Unsecured Creditors to achieve a higher recovery on the outstanding debt than would otherwise be achieved in a bankruptcy administration. As advised, it is the Proposal Trustee's preliminary estimate that in a bankruptcy administration the return to Unsecured Creditors will be nil as against a net recovery of thirty (30) cents on the dollar under the terms of the Proposal.

With a view to the above, the Trustee believes that the Proposal is of benefit to creditors, and recommends that Unsecured Creditors support it by voting in favor of the Proposal. It is important for Unsecured Creditors to understand that if the

Proposal does not achieve the required statutory majority of creditors voting at the meeting of creditors to be held on January 11, 2024, Pathway will automatically be deemed to have made an assignment in bankruptcy and the opportunity for Unsecured Creditors to recover on their outstanding debt at the level suggested under the terms of the Proposal will be lost.

Furthermore, the Proposal Trustee intends to vote proxies received, naming it as the proxy holder, in favour of the Proposal.

Dated at Halifax, Nova Scotia, the 18th day of December, 2023.

BDO CANADA LIMITED

Acting in its capacity as Licensed Insolvency Trustee under the Proposal of Pathway Construction Ltd.
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read "Neil Jones", written in a cursive style.

Neil Jones, CPA, CA, CIRP, LIT
Senior Vice-President

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “J”
to the Second Report of the Proposal Trustee

District of: Newfoundland and Labrador
Division No.: 01- Newfoundland and Labrador
Estate No.: 51-2992411
COURT No.: 24612

IN THE MATTER OF THE AMENDED PROPOSAL OF
PATHWAY CONSTRUCTION LTD.

Amended PROPOSAL FOR EXTENSION OF TIME AND COMPOSITION OF DEBT

Pathway Construction Ltd. hereby submits the following Proposal to its Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act*.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal:

“**Affected Creditor**” means the Preferred Creditors, Unsecured Creditors and Deferred Creditors having Proven Claims.

“**Assets**” means the following assets, owned outright by the Debtor and subject to registered security held by the Bank of Montreal:

- a) 2017 Bobcat Mini Excavator; VIN AUYM14662,
- b) 2004 Mac Tag Trailer; VIN 2M9TS53694A155027; and
- c) 2001 JCB Backhoe; VIN SLP214FC1U0901179.

“**BIA**” means the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.

“**Business Day**” means any day which is not a Saturday or Sunday, or a provincial or federal holiday in the province of Newfoundland and Labrador.

“**Claim**” means any right or claim against the Debtor (i) based in whole or in part on facts which existed prior to the Filing Date, (ii) related to a time period prior to the Filing Date, or (iii) which would have been a claim provable in bankruptcy within the meaning of the BIA had the Debtor become bankrupt on the Filing Date that may be asserted or made in whole or in part against the Debtor, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment,

liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, including, without limiting the foregoing, any right or claim of a current or former employee of the Debtor, any Crown Claim, provided however, that a "Claim" shall not include a Post Filing Claim.

"Claimant" means a person that has a Claim which is not yet a Proven Claim.

"Completion Date" means the date on which the Debtor's obligations under this Proposal have been met.

"Convenience Claim" means the first \$2,000 of any Unsecured Creditor's Proven Claim, but not exceeding the amount of the Unsecured Creditor's Proven Claim if less than \$2,000.

"Court" means the Supreme Court of Newfoundland and Labrador, General Division, In Bankruptcy and Insolvency.

"Court Approval Order" and **"Approval Order"** means the Court order approving this Proposal and directing the implementation of this Proposal.

"CRA" means the Canada Revenue Agency.

"Creditors" means the Preferred Creditors and Unsecured Creditors of the Debtor, and for greater certainty, does not include Secured Creditors and Post Filing Creditors.

"Crown" means Her Majesty in the right of Canada or a province.

"Crown Claim" means a Claim of the Crown for amounts that are outstanding as at the Filing Date and are subject to a demand under:

- a) subsection 224(1.2) of the Income Tax Act;
- b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties, or other amounts, where the sum:
 - i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 391 of the

Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“**D&O Claim**” means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.

“**Date of Restructuring**” means the date as which:

- a) the Proposal Proceeds have been received by the Trustee; and
- b) the Trustee has distributed a final dividend to Creditors pursuant to the terms of this Proposal.

“**Debtor**” means Pathway Construction Ltd. an insolvent corporation located in Clarenville, Newfoundland and Labrador.

“**Disputed Claim**” means any Proof of Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven in accordance with section 135 of the BIA or which is being disputed in whole or in part by the Trustee, or any other person entitled to do so and has not been resolved by agreement or by order of the Court.

“**Deferred Creditor**” means an Unsecured Creditor that is a related party to the Debtor in accordance with Section 4 of the BIA.

“**Estate**” means the estate of Pathway Construction Ltd. under this Proposal pursuant to the BIA.

“**Event of Default**” means when any of the following occur:

- a) the Debtor fails to fund reasonable Post Filing Claims pertaining to the business and affairs of the Debtor;
- b) the Debtor fails to deposit with the Trustee the monies referred to in Article 3; or
- c) statutory defaults under the BIA.

“**Filing Date**” means December 12, 2023, the date on which the Debtor filed this Proposal with the Official Receiver in the City of Halifax, Nova Scotia.

“**Filing Date Exchange Rate**” means the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian Dollars on the Filing Date.

“**HST**” means Harmonized Sales Tax, a combination of federal and provincial value added taxes on goods and services sold in Newfoundland and Labrador, Canada.

“**Inspectors**” has the meaning ascribed to it in Section 7.4 of this Proposal.

“Litigation Claim” means the claim the Debtor has against Dandy Dans Fish Market Ltd. in relation to an accounts receivable due.

“Maturity Date” means the Date of Restructuring provided that no Event of Default has occurred under this Proposal that has not been cured or waived.

“Meeting” means the meeting of creditors to be held pursuant to section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and includes any subsequent reconvened meeting should a Meeting be adjourned.

“Official Receiver” means the officer appointed pursuant to subsection 12(2) of the BIA in the City of Halifax, Nova Scotia, to perform the duties and responsibilities set out in the BIA.

“Post Filing Claim” means a claim arising from the supply of goods or services to the Debtor after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such claims. Post Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

“Post Filing Creditor” means a creditor having a Post Filing Claim.

“Preferred Creditors” means those persons with Claims against the Debtor provable pursuant to the BIA as of the Filing Date whose claims are entitled to be paid in priority to the claims on Unsecured Creditors as provided in Section 136 of the BIA.

“Priority Claim” means (i) a Crown Claim that is a Proven Claim or (ii) a Proven Claim of an employee for amounts it would be entitled to receive under subsections 60(1.3) and 136(1)(d) of the BIA if the Debtor had become bankrupt on the Filing Date.

“Priority Creditor” means a creditor of the Debtor having a Priority Claim.

“Professional Fees” means all proper fees, expenses, liabilities and obligations of the Trustee and its legal counsel, accounting fees and consulting fees on and incidental to the proceedings arising out of this Proposal, including advice in connection with this Proposal.

“Proof of Claim” means the prescribed form of document required under the BIA to evidence the Claim of a creditor of the Debtor.

“Proposal” means this proposal among the Debtor and the Affected Creditors, as from time to time amended, modified, or supplemented pursuant to an order of the Court, or pursuant to an agreement among the Debtor and Affected Creditors or classes as provided for herein or at any Meeting.

“Proposal Period” means the period between the Filing Date and the Maturity Date.

“Proposal Proceeds” has the meaning ascribed in Article 3.

“Proven Claim” means a Claim which:

- a) after the delivery of a Proof of Claim to the Trustee, has been admitted by the Trustee in whole or in part; or

- b) after the delivery of a Proof of Claim to the Trustee, has been disallowed by the Trustee, which disallowance has subsequently been set aside in whole or in part by the Court,

provided that a Proven Claim shall not include the amount due to a Post Filing Creditor in respect of a Post Filing Claim. Proven Claims shall not include any interest for the period subsequent to the Filing Date, and any such interest will be specifically disavowed.

“Related Party” means a party that is related to the Debtor in accordance with Section 4 of the BIA.

“Required Majority” means a majority in number and two-thirds in value of all Proven Claims in the Unsecured Creditor Class entitled to vote, who are present and voting at the Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA.

“Secured Creditors” means a Person holding a mortgage, hypothec, charge, pledge, charge, or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the Person from the Debtor, but shall exclude, for great certainty, lienholders holding lienholder claims.

“Trustee” means BDO Canada Limited, in its capacity as Licensed Insolvency Trustee under the Proposal.

“Unaffected Creditors” means those Persons having Secured Claims and those Persons having Post-Filing Claims.

“Unsecured Creditor” means a creditor of the Debtor who has a Claim but does not have a security interest in the assets of the Debtor as at the Filing Date.

“Unsecured Creditor Class” means all Unsecured Creditors each having a Proven Claim.

1.2 Interpretation, etc.

For the purposes of this Proposal:

- a) the division of this Proposal into articles and the insertion of headings are for convenience only and do not form part of this Proposal and will not be used to interpret, define, or limit the scope, extent, or intent of this Proposal;
- b) all references to amounts of money mean lawful currency of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Affected Creditors in any other currency will be converted to Canadian dollars at the Filing Date Exchange Rate;
- c) unless otherwise specified, the words “hereof”, “herein”, “hereunder” and “hereto” refer to this Proposal in its entirety rather than to any particular portion of this Proposal;
- d) where the context requires, a word or words importing the singular shall include the plural and vice versa and a word or words importing one gender shall include all genders;
- e) the deeming provisions are not rebuttable and are conclusive and irrevocable;
- f) the words “includes” and “including” are not limiting; and

g) the word “or” is not exclusive.

1.3 Statutory References

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made thereunder, as amended or re-enacted from time to time.

1.4 Date for any Action

In the event that any date on which any action is required to be taken under this Proposal is not a Business Day, that action shall be required to be taken on the next succeeding day that is a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PROPOSAL

2.1 Purpose of the Proposal

The purpose of this Proposal is to effect a compromise of Unsecured Claims of the Debtor in order to enable the business of the Debtor to continue, in the expectation that all stakeholders of the Debtor including its Creditors will derive a greater benefit from its continued operations than would result from the discontinuance of its operations and the forced liquidation. This Proposal will also provide for a full and final satisfaction of all Unsecured Claims in exchange for a cash payment as described in this Proposal.

2.2 Effect of the Proposal

The Proposal restructures the affairs of the Debtor and amends the terms of any and all agreements between the Debtor and the Unsecured Creditors and Deferred Creditors. During the Proposal Period, the provisions of Section 69.1 of the BIA shall be in effect. Without limiting the generality of the foregoing, during the Proposal Period all Unsecured Creditors will be stayed from commencing or continuing any proceeding or remedy against the Debtor or the Property in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies owing to Creditors, to recover or enforce any judgement against the Debtor in respect of a Claim or to commence any formal proceedings against the Debtor in respect of a Claim other than as provided under this Proposal.

2.3 Effect on Secured Creditors

Secured Creditors are not affected under the Proposal and will be paid in accordance with existing agreements between such Secured Creditors and the Debtor as amended from time to time or as may be arranged in the future between the Debtor and the Secured Creditors. The Claims of Secured Creditors are not affected by this Proposal.

2.4 Waiver of Related Company Claim

It is a term of the Proposal that Eastern Roof and Floor Truss Manufacturing (2008) Inc. shall not be entitled to any distribution hereunder with respect to its Deferred Claim, and shall not vote on the Proposal.

2.5 Trustee under the Proposal

Subject to the provisions of the BIA, the Trustee shall act as the administrator for certain purposes connected with the Proposal, including the management of the claims process and the administration of the Meeting.

2.6 Obligations of the Debtor under the Proposal

The Debtor and its directors shall bind themselves to cooperate in every way with the Trustee in carrying out the terms of this Proposal.

During the Proposal Period, the Debtor and its directors shall:

- a) realize upon the Assets for purposes of providing a source of cash flow to maintain business operations during the Proposal Period;
- b) deposit all funds referred to in Article 3 which shall vest with the Trustee for distribution amongst the Affected Creditors who are subject to this Proposal and for payment of fees and expenses of the Trustee as referred to in Article 4 herein and for payment of the levy pursuant to s.147 of the BIA;
- c) Remit all necessary installments to CRA in accordance with the provisions of the Income Tax Act and Excise Tax Act;
- d) Submit required tax returns, together with amounts due, if any; and
- e) Upon notice in writing to the Trustee by CRA of a default with respect to the filing, remitting and installment requirements for the post-Proposal period herein, the debtor shall be given sixty (60) days from the date of the notice to rectify any such default. Should the default not be rectified within the sixty (60) day period, a request can be made to the Trustee to have the Proposal annulled.

2.7 Effect of this Proposal on Affected Creditors

This Proposal will, as of the date of the Court Approval Order, be binding on the Debtor and all Affected Creditors in the manner provided in this Proposal and the BIA. All Unsecured Claims shall be discharged and the Debtor shall thereon be released from all Unsecured Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal.

2.8 Preferred Creditors

The Proven Claims of the Preferred Creditors (excluding the Employee Claims) of the Debtor will be paid in full priority to the Proven Claims of other Unsecured Creditors in accordance with the BIA and the Proposal.

2.9 Employee Creditors

The Proven Claims of employees determined to be Priority Claims, if any, will be satisfied or paid as provided by Article 3 and 4.

2.10 Lienholder Claims

Any lienholder claims will be deemed to be Unsecured Claims under this Proposal.

2.11 Unsecured Creditors

The Proven Claims of the Unsecured Creditors of the Debtor will be satisfied or paid as provided by Article 3.

2.12 Post Filing Claims

Post Filing Claims will be paid in full by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post Filing Claims.

ARTICLE 3 PROPOSAL

3.1 Proposed Payments

The Debtor will make contributions totalling Two Hundred Sixty-Four Thousand (\$264,000) by quarterly payments of Twenty-Two Thousand (\$22,000) for a period of three years, said payments to commence on the second quarter ended in 2024 being June 30, 2024 and continue until the first quarter ended in 2027 being March 31, 2027 or until such time as the full amount of Two Hundred Sixty-Four Thousand (\$264,000) has been deposited with the Trustee. These funds, referred to as Proposal Proceeds, shall be directed to the Trustee for payment to proven creditors.

Should the Debtor determine that it has sufficient cash flow to accelerate the payments to the Trustee for distribution to proven creditors as contemplated in this Proposal, it will attempt to do so in order to conclude the Proposal earlier than otherwise set out.

3.2 Distributions

Payments to Preferred Creditors and Unsecured Creditors for Proven Claims will be made in the following order after payment of the Priority Payments referred to in Article 4 to the extent of the Proposal Proceeds:

- a) Proven Claims of Preferred Creditors as at the Filing Date, being those creditors with claims provable pursuant to Section 136 of the BIA;
- b) The Convenience Claim portion of Proven Claims of Unsecured Creditors will be paid in full, without interest; and
- c) On a pro-rata basis, in full and final satisfaction of Unsecured Creditors' Proven Claims which are to include claims of every nature and kind whatsoever, whether contingent or unliquidated, arising out of transactions entered into by Debtor prior to the Filing Date, payment from the Proposal Proceeds for Proven Claims of Unsecured Creditors, less payment made towards the Convenience Claim, without interest.

Deferred Creditors shall not receive any distribution in this Proposal.

That the dividends paid to Preferred Creditors and Unsecured Creditors for Proven Claims shall be paid as follows:

- a) The first interim dividend shall be paid shortly after March 31, 2025, following receipt of the fourth quarterly payment from the Debtor; and
- b) The Second and Third dividends to creditors shall be paid on an annual basis, approximately 12 months following the payment of the previous dividend.

The Debtor is not aware of any known Preferred Creditors as at the Filing Date.

3.3 Levy Payable

The levy payable to the Office of the Superintendent of Bankruptcy by virtue of the provisions of subsection 147(1) of the BIA shall be payable on all distributions made pursuant to the terms of this Proposal, including consideration to be received by the Preferred Creditors, Unsecured Creditors, and Deferred Creditors but not in the consideration to be received by the Post Filing Creditors, the Priority Creditors or the Secured Creditors, respectively.

3.4 Class of Creditors and Voting

This Proposal is not being made to the Unaffected Creditors and does not impact their claims. Claims of Unaffected Creditors shall be dealt with in accordance with the agreements between the respective Unaffected Creditors and the Debtor or as otherwise agreed between the respective Unaffected Creditors and the Debtor.

For the purposes of voting on this Proposal, the Preferred Creditors and Unsecured Creditors with Proven Claims shall comprise one class, being the Unsecured Creditors Class.

3.5 Disputed Claims

An Unsecured Creditor with a Disputed Claim shall not be entitled to receive any rights hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim.

The procedure for resolving any Disputed Claim will be as set forth in the BIA. The Debtor and/or the Trustee reserve the right to seek the assistance of the Court in resolving any Disputed Claim, if required, to ascertain the result of any vote on the Proposal or the amount payable to such Unsecured Creditor under the Proposal, as the case may be.

3.6 Transfer of Claims

If, after the Filing Date, the holder of a Claim transfers or assigns the whole of such Claim to another person, neither the Trustee nor the Debtor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received and acknowledged by the Trustee in writing and thereafter such transferee or assignee shall, for the purposes of this Proposal, constitute a "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Proposal prior to receipt and acknowledgement by the Trustee of satisfactory evidence of such transfer or assignment.

No transfer or assignment shall be effective for voting purposes at the Meeting unless sufficient notice and evidence of such transfer or assignment has been received by the Trustee no later than 5:00 pm Newfoundland Time on the date that is two days before the date of the Meeting, failing which the original Creditor shall have all applicable rights as the "Creditor" with respect to such Claim as if no transfer or assignment of the Claim had occurred.

3.7 Corporate Action

All corporate actions contemplated by this Proposal shall have been authorized and approved in all respects (subject to the provisions of this Proposal). All matters provided for in this Proposal shall have timely occurred and be in accordance with all applicable laws. The director of the Debtor shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by this Proposal, in the name of and on behalf of the Debtor.

3.8 BIA Sections 95 to 101

It is a term of this Proposal that sections 95 to 101, inclusive, of the BIA, shall not apply with respect to this Proposal and the Debtor.

ARTICLE 4 PRIORITY PAYMENTS

4.1 Trustee Fees and Expenses

For purposes of this Proposal, all proper fees of the Trustee and the reasonable expenses and legal costs of the Trustee, on and incidental to the proceedings arising out of this Proposal (including the preparation of this Proposal) shall be paid in priority to all claims of the Preferred Creditors, Unsecured Creditors and Subsequent Creditors. Such fees shall be based on the time expended and charged by the Trustee and its legal counsel at their normal billing rates as set from time to time.

4.2 Payments to Priority Creditors

The Debtor shall make payments to Priority Creditors with Proven Claims in accordance with the provisions of the BIA and, in particular:

- a) all Crown Claims that were outstanding at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a province, within six months after the Court has granted the Approval Order; and
- b) all employees and former employees of the Debtor shall, immediately after the Court has granted the Approval Order, be paid amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor had become bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before the Court grants the Approval Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Debtor's business after the Filing Date and before the Court grants the Approval Order.

The Debtor did not sponsor any prescribed pension plans for the benefit of its employees or former employees.

**ARTICLE 5
CONDITIONS PRECEDENT**

5.1 Conditions Precedent to Implementation of the Proposal

The implementation of this Proposal by the Debtor is subject to the satisfaction of the following conditions precedent:

- a) this Proposal being approved by the Required Majority of the Unsecured Creditor Class;
- b) the Court Approval Order has been issued and has not been stayed; and
- c) all other actions, documents, and agreements necessary to implement this Proposal shall have been effected and executed.

**ARTICLE 6
DELIVERY OF NOTICES UNDER THIS PROPOSAL**

6.1 Notices and Payments to Affected Creditors

Any notices and correspondence to Affected Creditors under or in relation to this Proposal shall be delivered to the electronic mailing address provided by each Affected Creditor in their Proof of Claim unless the Debtor and the Trustee are notified by an Affected Creditor in writing of an alternative electronic mailing address for delivery.

**ARTICLE 7
MEETING OF AFFECTED CREDITORS**

7.1 Meeting

The Meeting shall be held at a time and place to be established by the Trustee in consultation with Official Receiver, or the nominee thereof, after the filing of this Proposal with the Official Receiver and confirmed in the notice of meeting sent by electronic mail by the Trustee pursuant to the BIA. The procedure governing the Meeting, shall be subject at all times to (i) any order of the Court, including without limitation, any order respecting COVID-19 related creditor meeting protocols; and (ii) any COVID-19 related creditor meeting directives issued by the Official Receiver.

7.2 Participation in Meeting

In order to be eligible to vote at the Meeting, an Affected Creditor must have delivered a Proof Claim to the Trustee prior to the date and time of the Meeting. The procedure for dealing with the disallowance of Proofs of Claim is set out in section 135 of the BIA.

7.3 Conduct of the Meeting

The Official Receiver or its nominee shall chair the Meeting and shall decide any questions or disputes arising at the Meeting and any Affected Creditor may appeal any such decision to the Court. The Meeting can be adjourned by ordinary resolution of the Affected Creditors to a time and date set by the chair as set out in section 52 of the BIA.

7.4 Inspectors

At the Meeting, the Affected Creditors may appoint one (1) or more, but not exceeding five (5), Inspectors. The Inspectors shall have only the following powers:

- a) the power to extend the dates of payments provided for under this Proposal;
- b) the power to waive any default in the performance of any provision of this Proposal;
- c) the power to approve interim and final statements of receipts and disbursements of the Trustee, including the power to approve proposed dividends and reasonable fees and disbursements of the Trustee;
- d) the power to advise the Trustee in respect of such matters as may be referred to the Inspectors by the Trustee; and
- e) the power to advise the Trustee concerning any dispute that may arise to the validity of a Proof of Claim filed by a Claimant.

In the event Affected Creditors do not elect to appoint Inspectors under this Proposal, the Court shall approve the fees and disbursements of the Trustee for services rendered by it pursuant and in relation to this Proposal.

The Trustee and the Inspectors, should any be appointed, shall be exempt from all personal liability for any wrongful act, default, or neglect (other than fraud, wilful misconduct, or gross negligence) in fulfilling any duties or exercising any powers conferred upon them by this Proposal, the BIA or generally in carrying out the terms of this Proposal.

7.5 Voting

This Proposal is to be voted on by the Unsecured Creditor Class at the Meeting.

This Proposal must be approved by the Required Majority of the Unsecured Creditor Class. For the purpose of voting as a member of the Unsecured Creditor Class, each Affected Creditor shall have one vote for the purposes of determining a majority in number and each Affected Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

For greater certainty, any creditor who is a Related Party of the Debtor, within the meaning of the BIA, may vote against but not for the acceptance of this Proposal.

7.6 Proxies and Voting Letters

Affected Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in correspondence and other materials to be delivered by the Trustee reasonably in advance of the Meeting.

ARTICLE 8 RELEASES

8.1 Release of D&O Claims

All released D&O Claims shall be fully, finally, irrevocably, and forever compromised, released, discharged, cancelled, and barred without consideration on the Effective Date. For greater certainty, any Claim of a Director or Officer against the Debtor for indemnification or contribution in respect of any D&O Claim shall be treated for all purposes under the Proposal as a Claim and will be compromised, released, discharged, cancelled, and barred.

ARTICLE 9 AMENDMENTS AND MODIFICATIONS

9.1 Amendment of Proposal before the Meeting

The Debtor reserves the right, with the consent of the Trustee, at any time prior to the Meeting to file an amendment or supplement to this Proposal by way of amended or supplementary Proposal. Any such amended or supplementary Proposal shall forthwith be sent to the Affected Creditors and filed with the Official Receiver as soon as practicable, in which case, any such amended or supplementary Proposal shall, for all purposes, be and be deemed to be a part of and incorporated into this Proposal. At the Meeting, the Debtor and/or the Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the votes being taken to approve this Proposal.

9.2 Modification of Proposal after the Meeting

After the Meeting, this Proposal may be modified from time to time:

- a) if the amendment is considered by the Trustee and the Inspectors, if any, to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors, if any;
- b) upon a vote conducted by the Trustee at a further meeting of the Affected Creditors, provided that the modification is approved by the Required Majority;
- c) by the Court, pursuant to Rule 92 of the Bankruptcy and Insolvency General Rules, CRC 1978, c. 368, as amended, at the application for the Approval Order; and
- d) by the Court at any time on application by the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether an Affected Creditor or not.

9.3 Waivers

Any provision of this Proposal may be waived with the consent of the Trustee, by the Unsecured Creditor Class, or by an Affected Creditor affected by the provision.

**ARTICLE 10
APPLICATION FOR APPROVAL ORDER**

10.1 Application for Approval Order

If this Proposal is approved by the Required Majority of the Unsecured Creditor Class, following the conclusion of the Meeting, the Trustee shall apply within five days to the Court for the Approval Order. The Trustee will, in accordance with section 58 of the BIA, provide the Affected Creditors with at least fifteen days' notice of the hearing for the application for the Approval Order.

10.2 Stay of Proceedings

The stay of proceedings provided for in section 69.1(1) of the BIA shall continue in full force and effect from the Filing Date until the Trustee has been discharged or, if the Debtor become bankrupt, the date of bankruptcy.

**ARTICLE 11
GENERAL**

11.1 Further Actions

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal to give effect to the transactions contemplated hereby.

On the Completion Date, the Trustee shall provide to the Debtor and to the Official Receiver a certificate pursuant to section 65.3 of the BIA. The Trustee shall be entitled to seek its discharge at the appropriate time in accordance with the BIA.

11.2 Notices to the Debtor or Trustee

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Debtor or the Trustee shall be in writing and shall be delivered either personally, by email transmission, by facsimile transmission or by prepaid courier service, at the following address:

- a) if to the Debtor:

Pathway Construction Ltd.
45 Marine Drive
Clareville, Newfoundland and Labrador, A5A 1M5, Canada

Attention: Keith Chard

Email: keithchard@pathwayconstruction.ca

b) if to the Trustee:

BDO Canada Limited
Trustee in the proposal of
Pathway Construction Ltd.
255 Lacewood Drive, Suite 201
Halifax, Nova Scotia, B3M 4G2, Canada

Attention: Miranda Mavhunga

Facsimile: 902 425 3777
Email: mmavhunga@bdo.ca

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or the day of sending by electronic mail or facsimile transmission, provided that such day is either a Business Day and the communication is so delivered, emailed, or faxed before 5:00 p.m. (Atlantic time zone) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

11.3 Successors and Assigns

This Proposal is binding upon the Debtor, the Affected Creditors and their respective heirs, executors, administrators, successors, and assigns.

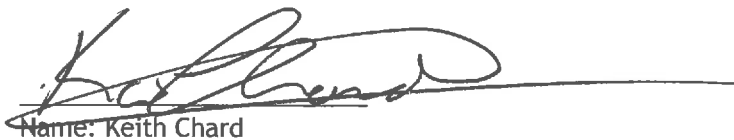
11.4 Governing Law

This Proposal will be governed by and construed in accordance with the laws of Newfoundland and Labrador and the laws of Canada applicable therein.

DATED at Clarenville, Newfoundland and Labrador, Canada this 12th day of December 2023.

Pathway Construction Ltd

Per:



Name: Keith Chard

Title: Director of Pathway Construction Ltd.

Jan 11, 2024

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “K”
to the Second Report of the Proposal Trustee



BDO Canada Limited

Suite 201, 255 Lacewood Drive
Halifax, NS B3M 4G2
Telephone (902) 425-3100
Fax (902) 425-3777

VIA EFILE

January 18, 2024

DOCUMENT TRANSIT

Re: Proposal of Pathway Construction Ltd.

Court Nos: 51-2992411

(x) Minutes of First Meeting of Creditors

A handwritten signature in black ink, appearing to read 'M. Mawhinger'. The signature is written in a cursive style with a long, sweeping tail on the 'g'.

TRUSTEE

CANADA
PROVINCE OF NEWFOUNDLAND AND LABRADOR
DIVISION No. 01 - Newfoundland and Labrador
COURT No. 24615
ESTATE No. 51-2992411

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY

IN THE MATTER OF THE PROPOSAL OF
PATHWAY CONSTRUCTION LTD. ("PATHWAY")

AN INSOLVENT

MINUTES OF MEETING OF CREDITORS TO CONSIDER PROPOSAL

The meeting of creditors to consider the proposal of Pathway (the "Proposal") was held virtually under the chairmanship of the Trustee represented by Neil Jones, CPA, CA, CIRP, LIT on the 11th day of January, 2024 at 11 AM Newfoundland Time ("NT").

The list of creditors present or represented is attached hereto as Exhibit "A".

The Chairman called the meeting to order and declared the first meeting of creditors of Pathway open at 11:02 AMNT on January 11, 2024. A quorum was duly constituted.

The chairman introduced the following:

Representing the Trustee:

Neil Jones - Chairman
Miranda Mavhunga - Secretary of Meeting

Representing Pathway:

Jeffrey Stuckless - Director
Keith Chard - Director
Wayne Chard - Officer

The Chairman advised that the purpose of the meeting, pursuant to section 54(1) of the Bankruptcy and Insolvency Act ("BIA"), was as follows:

- To permit the creditors to consider the financial affairs of Pathway;
- To consider the terms and conditions of the Proposal;
- To vote on the Proposal; and
- To appoint inspectors, if any.

The Chairman tabled the following documents, and they were made available for inspection to those present:

1. Office of the Superintendent of Bankruptcy's Certificate of Appointment
2. Statement of Affairs
3. Notice to Creditors of Meeting of Creditors to Consider Proposal
4. Creditors Package
5. Creditor Mailing List
6. Trustee's Affidavit of Mailing
7. Proposal
8. Debtor's Cash Flow Statement
9. Trustee's Report on Cash Flow Statement

The Chairman then asked for a motion to dispense the review of the tabled documents. The motion was moved by Ed O'Keefe, proxy for Kent Building Supplies ("Kent") and seconded by Martine Langlois as proxy for the Bank of Montreal ("BMO").

The Chairman then gave a presentation of the Division I proposal process covering sections of the BIA as they relate to proposal matters, in particular, Sections 54, 55 and 57.

The Chairman asked if there were any questions relating to the Division I proposal process, and none were presented to the meeting.

The Chairman verbally summarized the Trustee's Report on the Proposal. The Chairman asked if there were any questions relating to the Trustee's Report, and none were presented to the meeting.

The Chairman then opened the meeting for questions.

Stephanie MacInnis-Commeau representing the Canada Revenue Agency ("CRA") asked the Trustee to discuss the implications of clause 3.8 of the Proposal as it relates to director's liability and the receipt of approximately \$35,000 by CRA for pre-filing obligations after the Company filed a Notice of Intention ("NOI") to file a proposal. The funds had been sent by Pathway prior to the NOI filing date but were received by CRA after the fact.

Mr. O'Keefe, representing Kent, asked questions related to the Dandy Dans Fish Market Ltd. ("Dandy Dans") receivable and whether any funds recovered would be distributed to creditors.

At 11:51 AM NT, the Chairman temporarily adjourned the meeting to allow management to discuss the issues raised by Ms. MacInnis-Commeau and Mr. O'Keefe in a virtual breakout room.

The meeting was reconvened at 11:57 AM, NT.

Mr. Keith Chard advised the meeting that Pathway would not be making any amendments to the Proposal relating to the director's liability clause and the Dandy Dans receivable. Mr. Keith Chard also advised Ms. MacInnis-Commeau that it is Pathway's preference that the funds received by CRA subsequent to the filing be sent back to Pathway.

The Chairman then advised creditors of the voting process as follows:

- Creditors who proved their claim with the Trustee prior to the meeting are entitled to vote;
- Voting on the Proposal is determined by special resolution requiring a majority in number and 2/3 in dollar value of the unsecured creditors claims eligible to vote and present at the meeting, by proxy or voting letter;
- There is a deemed assignment in bankruptcy if the Unsecured Creditor class votes to reject the Proposal; and
- The Proposal, if accepted by the Unsecured Creditor Class and approved by the Court, is binding on creditors of all unsecured claims.

The Chairman then provided guidance to creditors regarding the particular mechanisms available for voting at the meeting, namely a verbal poll and a poll using a software application. It was then decided that voting would be by a verbal poll.

The Chairman presented the claims register and reviewed all the claims and voting letters that had been received prior to the start of the meeting.

The Chairman then called for a vote on the Proposal. Moved that the Proposal, be accepted by creditors. The results of the vote are attached to these minutes as Exhibit "B".

The Chairman advised the creditors that at 11:58 AM NL, approximately an hour subsequent to the meeting being called to order, the Trustee had received a claim and voting letter from Marwood Ltd. and that if the claim were to be admitted it would change the outcome of the vote. The Trustee explained its position that the voting letter received by Marwood Ltd. would not be an eligible claim for voting purposes at the meeting of creditors as it was not admitted by the Trustee prior to the meeting being called to order.

At 12:26 PM NT, the Chairman temporarily adjourned the meeting to allow management to discuss the implication of the new development in a virtual breakout room.

The meeting was reconvened at 12:41 PM NT.

Mr. Keith Chard proposed an amendment to the Proposal in which clause 3.8 of the Proposal relating to the director's liability would be removed. Following a discussion, clause 3.8 was removed from the Proposal as filed on December 12, 2023.

The Chairman asked if there were any objections to the amendment and none were presented to the meeting.

The Chairman then declared that the amendment to the Proposal had been accepted (herein referred to as the "Amended Proposal").

The Chairman asked if there were any further comments or questions and none were presented to the meeting.

Ms. MacInnis-Commeau requested the Trustee to adjourn the meeting to allow CRA to review the Amended Proposal, as she advised the Trustee that in order for CRA to amend its vote, a copy of the Amended Proposal would need to be sent and reviewed by CRA.

At 12:54 PM NT, the Chairman temporarily adjourned the meeting to allow management to discuss CRA's request in a virtual breakout room.

The meeting was reconvened at 12:59 PM NT.

Mr. Keith Chard advised the meeting it was management's preference to not adjourn the meeting for an extended period, but to temporarily adjourn the meeting to allow time for the Amended Proposal to be sent by fax to CRA to enable it to review the Amended Proposal.

At 1:00 PM NT, the Chairman temporarily adjourned the meeting to allow for a copy of the Amended Proposal to be faxed to CRA.

The meeting was reconvened at 1:40 PM NT.

The Chairman then called for a vote on the Amended Proposal, as amended at the meeting of creditors. Moved that the Amended Proposal be accepted by creditors. The results of the vote are attached to these minutes as Exhibit "C".

The Chairman then provided a summary on the role of inspectors.

The Chairman asked for nominations to appoint estate inspectors.

Martine Langlois, representing BMO, requested to nominate herself as an inspector.

The Chairman asked if there were any opposers to a motion appointing Ms. Langlois as inspector. There were none. The Chairman declared the motion carried.

The Chairman asked if there were any final questions, comments or instructions to the Trustee.

The Chairman made a motion to adjourn the meeting.

There being no further business, upon motion, duly passed, the meeting was adjourned.

Dated at Halifax, Nova Scotia, this 18th day of January 2024.



Chairman



BDO Canada Limited

Estate No. 51-2992411 Name Pathway Construction Inc.

"A"

ATTENDANCE LIST

DEBTORS AND REPRESENTATIVES PRESENT VIA MICROSOFT TEAMS
Keith Chard
Wayne Chard
Jeffrey Stuckless

TRUSTEE AND REPRESENTATIVES
Jones, Neil
Mavhunga Miranda

CREDITORS PRESENT OR REPRESENTED VIA MICROSOFT TEAMS		
NAME	REPRESENTING	AMOUNT - PROVEN CLAIM
Martine Langois	BMO	\$60,000
Stephanie - MacInnis- Commeau	CRA	\$57,619
Rebecca Russel	ER Heating & Refrigeration Ltd.	\$51,375
Richard Power	Richard Power CPA	\$5,175
Ed O'Keefe	Kent	\$28,556

District of Newfoundland and Labrador
 Division No. 01 - St. John's
 Court No. 24615
 Estate No. 51-2992411

Voting Summary

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador

Insolvency Date: 28-Sep-2023
 Estate Number: 51-2992411

"B"

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	17	13	4	366,729.76	88,465.84	76.47	23.53	80.57	19.43	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Allstar Rebar Ltd	U		9,337.62	Letter	For
	Apex Construction Specialties Inc.	U		2,007.26	Letter	For
	ARROW Construction Products Limited	U		13,586.50		
	Atlantic Ready Mix	U		33,977.30	Letter	For
	Bank of Montreal	U		60,000.00	Letter	For
	Cabot Timber Mart	U		119,870.00	Letter	For
	Canada Revenue Agency-Payroll	U		2,337.79	Letter	Against
	City Tire & Auto - Corner Brook	U		1,282.24		
	Classic Truck & Trailer Tirecraft	U		14,657.28	Letter	For
	CRA - GST/HST - Sudbury	U		55,280.83	Letter	Against
	ER Heating and Refrigeration (2017) Limited	U		51,374.66	Letter	For
	Kent	U		28,556.42	Letter	Against
	King Process Technology Inc	U		8,924.21	Proxy	For
	P & B Trucking	U		10,292.50	Letter	For
	R&R HVAC and Controls Ltd	U		7,762.50	Letter	For
	Richard Power CPA	U		5,175.00	In Person	For
	Riverbend Freight Services Ltd	U		17,250.00	Letter	For
	T & G Woodworks	U		2,290.80	Letter	Against
	Technical Lift and Transport Limited	U		26,101.43	Letter	For
	Town Of Clarenville	U		2,479.03		

* Some or all of secured amount shown has been excluded from voting

District of Newfoundland and Labrador
 Division No. 01 - St. John's
 Court No. 24615
 Estate No. 51-2992411

Voting Summary

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador

"C"

Insolvency Date: 28-Sep-2023
 Estate Number: 51-2992411

Result of Voting

Class	Total #		Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result		
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By	ByValue
	17	15	2	424,348.38	30,847.22	88.24	11.76	93.22	6.78	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Allstar Rebar Ltd	U		9,337.62	Letter	For
	Apex Construction Specialties Inc.	U		2,007.26	Letter	For
	Atlantic Ready Mix	U		33,977.30	Letter	For
	Bank of Montreal	U		60,000.00	Letter	For
	Cabot Timber Mart	U		119,870.00	Letter	For
	Canada Revenue Agency- Payroll	U		2,337.79	In Person	For
	Classic Truck & Trailer Tirecraft	U		14,657.28	Letter	For
	CRA - GST/HST - Sudbury	U		55,280.83	In Person	For
	ER Heating and Refrigeration (2017) Limited	U		51,374.66	Letter	For
	Kent	U		28,556.42	Letter	Against
	King Process Technology Inc	U		8,924.21	Proxy	For
	P & B Trucking	U		10,292.50	Letter	For
	R&R HVAC and Controls Ltd	U		7,762.50	Letter	For
	Richard Power CPA	U		5,175.00	In Person	For
	Riverbend Freight Services Ltd	U		17,250.00	Letter	For
	T & G Woodworks	U		2,290.80	Letter	Against
	Technical Lift and Transport Limited	U		26,101.43	Letter	For

* Some or all of secured amount shown has been excluded from voting

District of: Newfoundland and Labrador
Division No.: 01 - Newfoundland and Labrador
Estate No: 24612
Court No: 51-2992411

This is Exhibit “L”
to the Second Report of the Proposal Trustee

BDO Canada Limited / BDO Canada Limitée

Claims Register

In the Matter of the Proposal of
Pathway Construction Ltd.

of the Town of Clarenville, in the Province of Newfoundland and Labrador

Insolvency Date: 28-Sep-2023

Estate Number: 51-2992411

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
Secured creditors						
1. Bank of Montreal	Yes	Admitted		193,807.00	436,311.09	
2. CNH Capital Canada Ltd. Attn: Kelly Nicholas	Yes	Admitted		1.00	198,555.81	
3. CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate	No	Not proved		165,735.00		
4. Ford Credit Canada Limited Attn: Bankruptcy Department	No	Not proved		3,255.00		
5. RCAP Leasing Inc. Attn: Collection Department	No	Not proved		147,136.00		
6. Scotiabank c/o BankruptcyHighway.com	No	Not proved		97,192.00		
7. Vault Credit Corporation	No	Not proved		42,869.00		
8. Wells Fargo Financial Corporation Canada Attn: Bankruptcy Department	No	Not proved		56,293.00		
Total : Secured creditors				706,288.00	634,866.90	

Unsecured creditors

1. Adams Electrical Inc	No	Not proved		2,300.14		
2. Allnorth Consultants Ltd.	No	Not proved		1,343.13		
3. Allstar Rebar Ltd	Yes	Admitted		9,337.62	9,337.62	9,337.62
4. Apex Construction Specialties Inc.	Yes	Admitted		2,007.26	2,007.26	2,007.26
5. ARROW Construction Products Limited	Yes	Contingent		13,586.50	13,586.50	13,586.50
6. Atlantic Industries Ltd.	No	Not proved		7,946.73		
7. Atlantic Ready Mix	Yes	Admitted		33,977.30	33,977.30	33,977.30
8. Bank of Montreal	Yes	Admitted		256,193.00	60,000.00	60,000.00
9. Benley Ventures Ltd.	No	Not proved		20,240.00		
10. BFL Canada Risk and Insurance Services Inc	No	Not proved		5,307.00		
11. Brandt	No	Not proved		971.18		
12. Cabot Timber Mart	Yes	Contingent		80,089.34	119,870.00	119,870.00
13. Canada Revenue Agency-Payroll	Yes	Admitted		19,018.28	2,337.79	2,337.79
14. Canadian Tire Mastercard - Fuel	No	Not proved		3,361.09		
15. Carma Construction Ltd	Yes	Admitted		13,800.00	13,800.00	
16. CARQUEST Canada Ltd 28	No	Not proved		936.07		
17. Central Cashier's Office	No	Not proved		1,567.00		

Claims Register for Pathway Construction Ltd. - Continued

Insolvency Date: 28-Sep-2023

Estate Number: 51-2992411

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
18. Central Hydraulics and Supply	No	Not proved		4,390.94		
19. City of St. John's	No	Not proved		348.60		
20. City Tire & Auto - Corner Brook	Yes	Admitted		767.10	1,282.24	1,282.24
21. Clarkes Trucking & Exc. Ltd.	No	Not proved		2,748.90		
22. Classic Truck & Trailer Tirecraft	Yes	Admitted		14,657.28	14,657.28	14,657.28
23. Clifford Cooper Construction Ltd	No	Not proved		954.50		
24. Coastal Entrance Solutions	No	Not proved		4,613.80		
25. Competitive Edge	No	Not proved		357.08		
26. CRA - GST/HST - Sudbury Attn: Quebec Insolvency Intake Centre	Yes	Admitted		52,897.74	55,280.83	55,280.83
27. Dasit Recharging JMC Limited	No	Not proved		399.05		
28. Dooleys Trucking	No	Not proved		252.82		
29. ER Heating and Refrigeration (2017) Limited	Yes	Admitted		29,587.44	51,374.66	51,374.66
30. Esso l'Imperiale - C460; 463; 464; 465; 466 Proposals Attn: a/s FCT Default Solutions Département d'Insolvabilité	No	Not proved		19,583.25		
31. Floyd's Construction Limited	No	Not proved		471.50		
32. Fortis Concrete Inc.	Yes	Admitted		12,789.76	12,789.76	12,789.76
33. Greenwoods HHBC	No	Not proved		3,460.05		
34. H. WAREHAM & SONS LIMITED	No	Not proved		4,379.13		
35. Harvey Gale & Son Limited	No	Not proved		3,438.50		
36. Hercules	No	Not proved		1,068.01		
37. Horwood's Limited	No	Not proved		2,277.00		
38. Iron Rock Equipment Ltd	No	Not proved		547.04		
39. Jewer Bailey Consultants ULC	No	Not proved		4,525.25		
40. Kent	Yes	Partially Disallowed		26,548.99	29,110.30	
41. King Process Technology Inc	Yes	Admitted		8,924.21	8,924.21	8,924.21
42. Log Max	No	Not proved		4,820.12		
43. Madsen Construction Equipment	No	Not proved		4,110.96		
44. Manuel's Metal Recycling Limited	No	Not proved		138.00		
45. Marwood Ltd.	Yes	Admitted		111,916.83	111,916.83	111,916.83
46. Meridian Onecap Credit Corporation (formerly Roynat Lease Finance - Toronto)	Yes	Admitted		1.00		
47. Modern Printing Group	No	Not proved		412.85		
48. P & B Trucking	Yes	Admitted		10,292.50	10,292.50	10,292.50
49. Parts for Trucks	No	Not proved		5,884.03		
50. Paul Equipmnet & Sons (2008)	No	Not proved		2,359.15		

Claims Register for Pathway Construction Ltd. - Concluded

Insolvency Date: 28-Sep-2023

Estate Number: 51-2992411

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
51. Pete Noseworthy	No	Not proved		6,000.00		
52. Provall Parts Limited	No	Not proved		6,550.51		
53. Quality Component Repair	No	Not proved		1,756.63		
54. R Coates Contracting	No	Not proved		276.00		
55. R&R HVAC and Controls Ltd	Yes	Admitted		7,762.50	7,762.50	7,762.50
56. RCAP Leasing Inc. Attn: Collection Department	No	Not proved		1.00		
57. Richard Power CPA	Yes	Admitted		5,175.00	5,175.00	5,175.00
58. Riverbend Freight Services Ltd	Yes	Admitted		17,250.00	17,250.00	17,250.00
59. S&H Construction Ltd	No	Not proved		1,517.60		
60. Shagg Island Enterprises Ltd.	No	Not proved		3,898.50		
61. South Coast Construction Inc.	No	Not proved		3,547.75		
62. Stephenson's Services (2006) Limited	No	Not proved		2,153.37		
63. T & G Woodworks	Yes	Admitted		2,290.80	2,290.80	2,290.80
64. Technical Lift and Transport Limited	Yes	Admitted		26,101.43	26,101.43	26,101.43
65. Town Of Clarendville	Yes	Admitted		2,340.05	2,479.03	2,479.03
66. Town of Georges Brook - Milton	No	Not proved		2,000.00		
67. Town of Ramea	No	Not proved		391.00		
68. United Rentals of Canada, Inc.	No	Not proved		11,619.44		
69. Vardy Villa Limited	No	Not proved		7,076.59		
70. Wajax	No	Not proved		873.47		
71. Western Pumps Services	No	Not proved		3,646.14		
72. Workplace Health & Safety	No	Not proved		9,043.27		
Total : Unsecured creditors				933,176.07	611,603.84	568,693.54
Deferred Creditors						
1. Eastern Roof & Floor Truss (2008 Inc)	No	Not proved		152,777.78		
Total : Deferred Creditors				152,777.78		
Grand Total:				1,792,241.85	1,246,470.74	568,693.54