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BDO Canada Limited
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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



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.: 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
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.



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 BANKRYTCY 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 |
| | <u>81</u> | <u>1,877,242</u> |

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 | | 30% | 0% | 0% |

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 - St. John's
 Court No. 01
 Estate No. 51-2992411

Original

Amended

- Form 78 -

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(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

To the debtor:

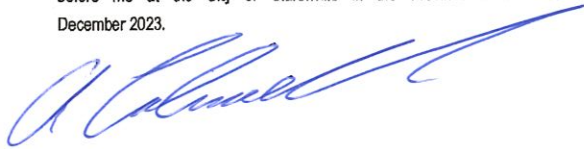
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 28th day of September 2023. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

| LIABILITIES (as stated and estimated by the officer) | ASSETS (as stated and estimated by the officer) |
|--|--|
| 1. Unsecured creditors as per list "A" | 1. Inventory |
| 676,983.07 | 0.00 |
| Balance of secured claims as per list "B" | 2. Trade fixtures, etc. |
| 256,193.00 | 0.00 |
| Total unsecured creditors | 3. Accounts receivable and other receivables, as per list "E" |
| 933,176.07 | Good |
| 2. Secured creditors as per list "B" | 0.00 |
| 706,288.00 | Doubtful |
| 0.00 | 0.00 |
| 3. Preferred creditors as per list "C" | Bad |
| 152,777.78 | 0.00 |
| 4. Contingent, trust claims or other liabilities as per list "D" | Estimated to produce |
| 1,792,241.85 | 0.00 |
| Total liabilities | 4. Bills of exchange, promissory note, etc., as per list "F" |
| NIL | 0.00 |
| Surplus | 5. Deposits in financial institutions |
| | 0.00 |
| | 6. Cash |
| | 0.00 |
| | 7. Livestock |
| | 706,288.00 |
| | 8. Machinery, equipment and plant |
| | 0.00 |
| | 9. Real property or immovable as per list "G" |
| | 0.00 |
| | 10. Furniture |
| | 0.00 |
| | 11. RRSPs, RRIIFs, life insurance, etc. |
| | 0.00 |
| | 12. Securities (shares, bonds, debentures, etc.) |
| | 0.00 |
| | 13. Interests under wills |
| | 0.00 |
| | 14. Vehicles |
| | 0.00 |
| | 15. Other property, as per list "H" |
| | 0.00 |
| | If debtor is a corporation, add: |
| | Amount of subscribed capital |
| | 0.00 |
| | Amount paid on capital |
| | 0.00 |
| | Balance subscribed and unpaid |
| | 0.00 |
| | Estimated to produce |
| | 0.00 |
| | Total assets |
| | 706,288.00 |
| | Deficiency |
| | 1,085,953.85 |

I, Keith Wayne Chard, of the Town of Clarenville in the Province of Newfoundland and Labrador, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 13th day of December 2023 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Clarenville in the Province of Newfoundland and Labrador, on this 13th day of December 2023.



ADAM W. CARDWELL

A Commissioner for Oaths

In and for the Province of Newfoundland & Labrador

My commission expires on Dec 31, 2025



Keith Wayne Chard

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

FORM 78 -- Continued

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

List "A"
 Unsecured Creditors
 Pathway Construction Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|-----|--|--|-----------------|------------------|-------------|
| 1 | Adams Electrical Inc | 211 Nicholasville Rd. Deer Lake NL A8A 1W5 | 2,300.14 | 0.00 | 2,300.14 |
| 2 | Allnorth Consultants Ltd. | PO Box 968 Prince George BC V2L 4V1 | 1,343.13 | 0.00 | 1,343.13 |
| 3 | Allstar Rebar Ltd | PO Box 3244, Stn Main Paradise NL A1L 1A0 | 9,337.62 | 0.00 | 9,337.62 |
| 4 | Apex Construction Specialties Inc. | P O Box 8776, Stn A St. John's NL A1B 3T2 | 2,007.26 | 0.00 | 2,007.26 |
| 5 | ARROW Construction Products Limited | P. O. Box 760 Fredericton, NB E3B 5B4 | 13,586.50 | 0.00 | 13,586.50 |
| 6 | Atlantic Industries Ltd. | 32 York Street P O Box 6161 Sackville NB E4L 1G6 | 7,946.73 | 0.00 | 7,946.73 |
| 7 | Atlantic Ready Mix | PO Box 353 Corner Brook NL A2H 6E3 | 33,977.30 | 0.00 | 33,977.30 |
| 8 | Bank of Montreal | 1675 Grafton Street, Suite 1400 Halifax NS B3J 0E9 | 0.00 | 256,193.00 | 256,193.00 |
| 9 | Benley Ventures Ltd. | P.O. Box 123 Baylona NL A0G 2J0 | 20,240.00 | 0.00 | 20,240.00 |
| 10 | BFL Canada Risk and Insurance Services Inc | 181 University Ave Suite 1700 Toronto ON M5H 3M7 | 5,307.00 | 0.00 | 5,307.00 |
| 11 | Brandt | PO Box 480 Grand Falls - Winsor NL A2A 2J9 | 971.18 | 0.00 | 971.18 |
| 12 | Cabot Timber Mart | 276 Balbo Drive Clarenville NL A5A 4B3 | 80,089.34 | 0.00 | 80,089.34 |
| 13 | Canada Revenue Agency-Payroll | 1050 Notre Dame Avenue Sudbury Tax Centre Sudbury ON P3A 5C2 | 19,018.28 | 0.00 | 19,018.28 |
| 14 | Canadian Tire Mastercard - Fuel | N/A NL | 3,361.09 | 0.00 | 3,361.09 |
| 15 | Carma Construction Ltd | P. O. Box 790 Bonavista NL A0C 1B0 | 13,800.00 | 0.00 | 13,800.00 |
| 16 | CARQUEST Canada Ltd 28 | 138 Bennett Drive Gander NL A1V 2E4 | 936.07 | 0.00 | 936.07 |
| 17 | Central Cashier's Office | P.O. Box 8700 St. John's NL A1B 4J6 | 1,567.00 | 0.00 | 1,567.00 |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 7B - Continued

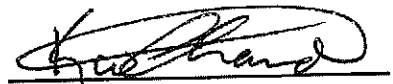
In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador

List "A"
 Unsecured Creditors
 Pathway Construction Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|-----|---|--|-----------------|------------------|-------------|
| 18 | Central Hydraulics and Supply | 6A Earle Street Grand Falls-Windsor NL A2B 1H5 | 4,390.94 | 0.00 | 4,390.94 |
| 19 | City of St. John's | P.O. Box 908 St. John's NL A1C 5M2 | 348.60 | 0.00 | 348.60 |
| 20 | City Tire & Auto - Corner Brook | 38 Confederation Drive Corner Brook NL A2H 6J3 | 767.10 | 0.00 | 767.10 |
| 21 | Clarkes Trucking & Exc. Ltd. | 163 Paradise Road Paradise NL A1L 2Y1 | 2,748.90 | 0.00 | 2,748.90 |
| 22 | Classic Truck & Trailer Tirecraft | 26 Kyle Ave Mount Pearl NL A1N 4R5 | 14,657.28 | 0.00 | 14,657.28 |
| 23 | Clifford Cooper Construction Ltd | General Delivery Old Shop, Trinity Bay NL A0B 2W0 | 954.50 | 0.00 | 954.50 |
| 24 | Coastal Entrance Solutions | 146 Glencoe Drive Mount Pearl NL A1N 4P7 | 4,613.80 | 0.00 | 4,613.80 |
| 25 | Competitive Edge | P. O. Box 323 Gander NL A5A 1M5 | 357.08 | 0.00 | 357.08 |
| 26 | CRA - GST/HST - Sudbury Attn: Quebec Insolvency Intake Centre | Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 | 52,897.74 | 0.00 | 52,897.74 |
| 27 | Dasit Recharging JMC Limited | 88 Main Street Grand Falls-Windsor NL A2B 1J6 | 399.05 | 0.00 | 399.05 |
| 28 | Dooleys Trucking | 60 Ward Street P. O. Box 398 Gander NL A1V 1W8 | 252.82 | 0.00 | 252.82 |
| 29 | ER Heating and Refrigeration (2017) Limited | 13 Myers Ave Clarenville NL A5A 1T5 | 29,587.44 | 0.00 | 29,587.44 |
| 30 | Esso l'Impertale - C460; 463; 464; 465; 466 Proposals Attn: a/s FCT Default Solutions Département d'Insolvabilité | PO Box 2514, Stn B London ON N6A 4G9 | 19,583.25 | 0.00 | 19,583.25 |
| 31 | Floyd's Construction Limited | P. O. Box 45 Rocky Harbour NL A0K 4N0 | 471.50 | 0.00 | 471.50 |
| 32 | Fortis Concrete Inc. | P. O. Box 9134 Clarenville, NL A5A 2C2 | 12,789.76 | 0.00 | 12,789.76 |
| 33 | Greenwoods HHBC | Route 234, 1 Main St. Lethbridge NL A0C 1V0 | 3,460.05 | 0.00 | 3,460.05 |
| 34 | H. WAREHAM & SONS LIMITED | 49 McCurdy Drive Gander NL A1V 1A1 | 4,379.13 | 0.00 | 4,379.13 |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 - Continued

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

List "A"
 Unsecured Creditors
 Pathway Construction Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|-----|--|---|-----------------|------------------|-------------|
| 35 | Harvey Gale & Son Limited | P. O. Box 683 241 Carolina Avenue Stephanville NL A2N 3B5 | 3,438.50 | 0.00 | 3,438.50 |
| 36 | Hercules | 520 Windmill Rd. Dartmouth NS B3B 1B3 | 1,068.01 | 0.00 | 1,068.01 |
| 37 | Honwood's Limited | 245 Grenfell Heights Grand Fall-Windsor NL A2A 2J2 | 2,277.00 | 0.00 | 2,277.00 |
| 38 | Iron Rock Equipment Ltd | 615 Carol Drive Labrador City NL A2V 1S6 | 547.04 | 0.00 | 547.04 |
| 39 | Jewer Bailey Consultants ULC | 75 Tiffany Court St. John's NL A1A 0L1 | 4,525.25 | 0.00 | 4,525.25 |
| 40 | Kent | P. O. Box 1200 Saint John NB E2L 4G7 | 26,548.99 | 0.00 | 26,548.99 |
| 41 | King Process Technology Inc | 4 Brentwood Ave Portugal Cove-St. Phillips NL A1M 0B2 | 8,924.21 | 0.00 | 8,924.21 |
| 42 | Log Max | P.O. Box 1398 Moncton NB E1C 8T6 | 4,820.12 | 0.00 | 4,820.12 |
| 43 | Madsen Construction Equipment | 141 Glencoe Drive Mount Pearl NL A1N 4S7 | 4,110.96 | 0.00 | 4,110.96 |
| 44 | Manuef's Metal Recycling Limited | Box 657 Lewisperde NL A0G 3A0 | 138.00 | 0.00 | 138.00 |
| 45 | Marwood Ltd. | Postal Station A PO Box 338 Fredericton NB E3B 4Z9 | 111,916.83 | 0.00 | 111,916.83 |
| 46 | Meridian Onecap Credit Corporation (formerly Roynat Lease Finance - Toronto) | PO Box 30597 RPO Madison Burnaby BC V5C 6J5 | 1.00 | 0.00 | 1.00 |
| 47 | Modem Printing Group | 1037 Topsail Rd Mount Pearl NL A1N 5E9 | 412.85 | 0.00 | 412.85 |
| 48 | P & B Trucking | 13 Industrial Park Springdale NL A0J 1T0 | 10,292.50 | 0.00 | 10,292.50 |
| 49 | Parts for Trucks | 15 MacDonald Ave Dartmouth NS B3B 1C6 | 5,884.03 | 0.00 | 5,884.03 |
| 50 | Paul Equipmnet & Sons (2008) | CP/Box 2535 55 Rue Drapeau Street Balmoral NB E8E 2W7 | 2,359.15 | 0.00 | 2,359.15 |
| 51 | Pete Noseworthy | N/A NL | 6,000.00 | 0.00 | 6,000.00 |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

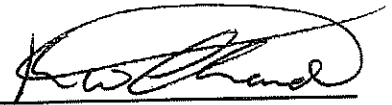
In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador

List "A"
 Unsecured Creditors
 Pathway Construction Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|-----|--|---|-----------------|------------------|-------------|
| 52 | Provall Parts Limited | 7 Blackmore Avenue Clarenville NL A5A 1B8 | 6,550.51 | 0.00 | 6,550.51 |
| 53 | Quality Component Repair | 2-42 Brandon St Moncton NB E1C 7E6 | 1,756.63 | 0.00 | 1,756.63 |
| 54 | R Coates Contracting | P. O. Box 156 Glenwood NL A0G 2K0 | 276.00 | 0.00 | 276.00 |
| 55 | R&R HVAC and Controls Ltd | 961 CBS Highway Conception Bay South NL A1X 7T2 | 7,762.50 | 0.00 | 7,762.50 |
| 56 | RCAP Leasing Inc. Attn: Collection Department | 300 - 5575 North Service Road Burlington ON L7L 6M1 | 1.00 | 0.00 | 1.00 |
| 57 | Richard Power CPA | 221E Memorial Drive Clarenville, NL A5A 1R3 | 5,175.00 | 0.00 | 5,175.00 |
| 58 | Riverbend Freight Services Ltd | 26 Kyle Avenue Mount Pearl NL A1N 4R5 | 17,250.00 | 0.00 | 17,250.00 |
| 59 | S&H Construction Ltd | P.O. Box 9132 Clarenville NL A5A 2C2 | 1,517.60 | 0.00 | 1,517.60 |
| 60 | Shagg Island Enterprises Ltd. | P. O. Box 293 Musgravetown NL A0C 1Z0 | 3,898.50 | 0.00 | 3,898.50 |
| 61 | South Coast Construction Inc. | 2 Fish Plant Road P. O. Box 369 Burgeo NL A0N 2H0 | 3,547.75 | 0.00 | 3,547.75 |
| 62 | Stephenson's Services (2006) Limited | P. O. Box 180 Bloomfield NL A0C 1A0 | 2,153.37 | 0.00 | 2,153.37 |
| 63 | T & G Woodworks | Site 3 Box 8 Appleton NL A0G 2K0 | 2,290.60 | 0.00 | 2,290.60 |
| 64 | Technical Lift and Transport Limited | 37 Tobins Road St. John's NL A1E 6A3 | 26,101.43 | 0.00 | 26,101.43 |
| 65 | Town Of Clarenville | 99 Pleasant Street Clarenville NL A5A 1V9 | 2,340.05 | 0.00 | 2,340.05 |
| 66 | Town of Georges Brook - Milton | 149 Trinity Drive Georges Brook-Milton NL A5A 0L4 | 2,000.00 | 0.00 | 2,000.00 |
| 67 | Town of Ramea | P.O. Box 69 Ramea NL A0N 2J0 | 391.00 | 0.00 | 391.00 |
| 68 | United Rentals of Canada, Inc. | Postal Station A P O Box 4526 Toronto ON M5W 5Z9 | 11,619.44 | 0.00 | 11,619.44 |

28-Sep-2023

Date



Keith Wayne Chard

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

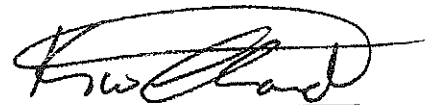
FORM 78 - Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "A"
 Unsecured Creditors
 Pathway Construction Ltd.

| No. | Name of creditor | Address | Unsecured claim | Balance of claim | Total claim |
|---------------|---------------------------|--|-------------------|-------------------|-------------------|
| 69 | Vardy Villa Limited | 129 Cormack Drive Clarenville NL A5A 1M5 | 7,076.59 | 0.00 | 7,076.59 |
| 70 | Wajax | PO Box 11790 Dept 29 M9082C/U Succursale Centre-Ville QC H3C 0C4 | 873.47 | 0.00 | 873.47 |
| 71 | Western Pumps Services | P. O. Box 39 Norris Point NL A0K 3V0 | 3,646.14 | 0.00 | 3,646.14 |
| 72 | Workplace Health & Safety | 146-148 Forest Rd St. Johns NL A1A 3B6 | 9,043.27 | 0.00 | 9,043.27 |
| Total: | | | 676,983.07 | 258,193.00 | 933,176.07 |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 - Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "B"
 Secured Creditors

Pathway Construction Ltd.

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of | Estimated surplus from security | Balance of claim |
|-----|------------------|---|-----------------|---|------------|---|---------------------------------|------------------|
| 1 | Bank of Montreal | 1675 Grafton Street, Suite 1400 Halifax NS B3J 0E9 | 450,000.00 | Business Assets - Machinery - 2001 JCB Backhoe Business Assets - Machinery - 2017 Bobcat Mini Excavator Business Assets - Machinery - 2007 Sterling 9500 LT Dump Truck Business Assets - Machinery - 2001 Traillex 46 ft Self Loading Log Trailer Business Assets - Machinery - 2016 Ford F250 Business Assets - Machinery - 2004 Mac Tag Trailer Business Assets - Machinery - 2012 Ford F150 Business Assets - Machinery - 2011 Sierra 1500 Business Assets - Machinery - 2004 Ford F250 Pickup Business Assets - Machinery - 2017 N and N Trailer Business Assets - Machinery - 2000 Trailer BWS Business Assets - Machinery - 2008 Page Enclosed Trailer | | 30,000.00 19,860.00 15,851.00 8,758.00 7,550.00 6,000.00 5,057.00 4,102.00 4,000.00 3,047.00 2,160.00 2,000.00 | | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

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

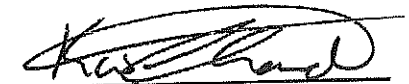
List "B"
 Secured Creditors

Pathway Construction Ltd.

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of | Estimated surplus from security | Balance of claim |
|-----|------------------|---|-----------------|--|------------|--------------------|---------------------------------|------------------|
| 1 | Bank of Montreal | 1675 Grafton Street, Suite 1400 Halifax NS B3J 0E9 | | Business Assets - Machinery - 2012 Hydra Lift (Dump Trailer) | | 1,327.00 | | |
| | | | | Business Assets - Machinery - Utility Trailer ex Stuckless | | 1,000.00 | | |
| | | | | Business Assets - Machinery - 2016 Case Excavator 145 | | 32,127.00 | | 256,193.00 |
| | | | | Business Assets - Machinery - 2018 Peterbilt | | 19,495.00 | | |
| | | | | Business Assets - Machinery - 2015 Talbert T3-55LT-HR Trailer | | 14,963.00 | | |
| | | | | Business Assets - Machinery - 2017 Dodge Ram #2 | | 9,354.00 | | |
| | | | | Business Assets - Machinery - 2017 Ford F250 | | 5,450.00 | | |
| | | | | Business Assets - Machinery - 2015 Doosan DX2225LL Harvester | | 1,706.00 | | |
| | | | | Business Assets - Machinery - 2013 Hitachi Excavator | | 0.00 | | |
| | | | | Business Assets - Machinery - 2017 Dodge Ram | | 0.00 | | |
| | | | | Business Assets - Machinery - 2005 Kenworth & 1999 Semi Dump | | 0.00 | | |
| | | | | Business Assets - Machinery - 2006 John Deere 450D | | 0.00 | | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

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

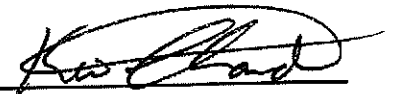
List "B"
 Secured Creditors

Pathway Construction Ltd.

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of | Estimated surplus from security | Balance of claim |
|-----|--|--|-----------------|--|------------|--|---------------------------------|------------------|
| 1 | Bank of Montreal | 1675 Grafton Street, Suite 1400 Halifax NS B3J 0E9 | | Business Assets - Machinery - 2006 Timberking Forwarder Business Assets - Machinery - 2020 Case CX210D Excavator | | 0.00 0.00 | | |
| 2 | CNH Capital Canada Ltd. Attn: Kelly Nicholas | 301 - 4475 North Service Road Burlington ON L7L 4X7 | 1.00 | Business Assets - Machinery - 2020 Case CX210D Excavator | | 1.00 | | |
| 3 | CWB National Leasing Inc./ (formerly National Leasing Group Inc) Attn: Bankruptcy Designate | 1525 Buffalo Pl Winnipeg MB R3T 1L9 | 165,735.00 | Business Assets - Machinery - 2006 Timberking Forwarder Business Assets - Machinery - 2006 John Deere 450D Business Assets - Machinery - 2013 Hitachi Excavator Business Assets - Machinery - 2016 Case Excavator 145 | | 60,000.00 52,461.00 31,334.00 21,940.00 | | |
| 4 | Ford Credit Canada Limited Attn: Bankruptcy Department | Box 1800 RPO Lakeshore West Oakville ON L6K 0J8 | 3,255.00 | Business Assets - Machinery - 2017 Ford F250 | | 3,255.00 | | |
| 5 | RCAP Leasing Inc. Attn: Collection Department | 300 - 5575 North Service Road Burlington ON L7L 6M1 | 147,136.00 | Business Assets - Machinery - 2015 Doosan DX2225LL Harvester | | 147,136.00 | | |
| 6 | Scolfiabank c/o BankruptcyHighway.com | PO Box 57100 Etobicoke ON M8Y 3Y2 | 97,192.00 | Business Assets - Machinery - 2017 Dodge Ram Business Assets - Machinery - 2017 Dodge Ram #2 | | 70,546.00 26,646.00 | | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "B"
 Secured Creditors

Pathway Construction Ltd.

| No. | Name of creditor | Address | Amount of claim | Particulars of security | When given | Estimated value of | Estimated surplus from security | Balance of claim |
|---------------|--|--|-------------------|---|------------|----------------------------|---------------------------------|-------------------|
| 7 | Vault Credit Corporation | 5 - 41 Scarsdale Rd Toronto ON M3B 2R2 | 42,869.00 | Business Assets - Machinery - 2005 Kenworth & 1999 Semi Dump Business Assets - Machinery - 2015 Talbert T3-55LT-HR Trailer | | 25,000.00 17,869.00 | | |
| 8 | Wells Fargo Financial Corporation Canada Attn: Bankruptcy Department | PO Box 250, Station A Mississauga ON L5A 3A1 | 56,293.00 | Business Assets - Machinery - 2018 Peterbilt | | 56,293.00 | | |
| Total: | | | 962,481.00 | | | 706,288.00 | 0.00 | 256,193.00 |

28-Sep-2023

Date



Keith Wayne Cherd

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

FORM 78 - Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "C"
 Preferred Creditors for Wages, Rent, etc.

Pathway Construction Ltd.

| No. | Name of creditor | Address and occupation | Nature of claim | Period during which claim accrued | Amount of claim | Amount payable in full | Difference ranking for dividend |
|--------|------------------|------------------------|-----------------|-----------------------------------|-----------------|------------------------|---------------------------------|
| Total: | | | | | 0.00 | 0.00 | 0.00 |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

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

List "D"
 Contingent or Other Liabilities

Pathway Construction Ltd.

| No. | Name of creditor or claimant | Address and occupation | Amount of liability or | Amount expected to pay for | Date when liability incurred | Nature of liability |
|--------|---------------------------------------|---|------------------------|----------------------------|------------------------------|---------------------|
| 1 | Eastern Roof & Floor Truss (2008 Inc) | 27 Forest Road P. O. Box 17 Lethbridge NL A0C 1V0 | 152,777.78 | 0.00 | | |
| Total: | | | 152,777.78 | 0.00 | | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "E"
 Debts Due to the Debtor
 Pathway Construction Ltd.

| No. | Name of debtor | Address and occupation | Nature of debt | Amount of debt (good, doubtful, bad) | Folio of ledgers or other book where particulars to be | When contracted | Estimated to produce | Particulars of any securities held for debt |
|-----|----------------|------------------------|----------------|--------------------------------------|--|-----------------|----------------------|---|
| | | | | 0.00 | | | | |
| | | | Total: | 0.00 | | | 0.00 | |
| | | | | 0.00 | | | | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 - Continued

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

Bills of Exchange, Promissory Notes, Lien Notes, Chattel

Pathway Construction Ltd.

| No. | Name of all promissory, acceptors, endorsers, indorsers and | Address | Occupation | Amount of bill or note, | Date when due | Estimated to produce | Particulars of any property held as security for payment of bill or |
|--------|---|---------|------------|-------------------------|---------------|----------------------|---|
| Total: | | | | 0.00 | | 0.00 | |

28-Sep-2023

Date



Keith Wayne Chard

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

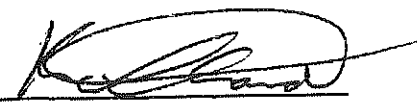
FORM 78 -- Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "G"
 Real Property or Immovables Owned by Debtor
 Pathway Construction Ltd.

| Description of property | Nature of debtor interest | In whose name does title stand | Total value | Particulars of mortgages, hypothecs, or other encumbrances (name, address, | Equity or surplus |
|-------------------------|---------------------------|--------------------------------|-------------|--|-------------------|
| Total: | | | 0.00 | | 0.00 |

28-Sep-2023

Date



Keith Wayne Chard

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

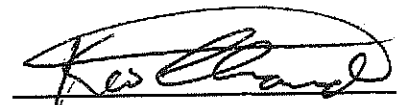
FORM 7B - Continued

In the Matter of the Proposal of
 Pathway Construction Ltd.
 of the Town of Clarenville, in the Province of Newfoundland and Labrador
 List "H"
 Property
 Pathway Construction Ltd.
 FULL STATEMENT OF PROPERTY

| Nature of property | Location | Details of property | Original cost | Estimated to produce |
|------------------------------------|------------------------------|---|---------------|----------------------|
| (a) Stock-in-trade | | | 0.00 | 0.00 |
| (b) Trade fixtures, etc. | | | 0.00 | 0.00 |
| (c) Cash in financial institutions | | | 0.00 | 0.00 |
| (d) Cash on hand | | | 0.00 | 0.00 |
| (e) Livestock | | | 0.00 | 0.00 |
| (f) Machinery, equipment and plant | Possession of bankrupt | 2000 Trailer BWS | 2,160.00 | 2,160.00 |
| | | 2001 JCB Backhoe | 30,000.00 | 30,000.00 |
| | | 2001 Trailex 46 ft Self Loading Log Trailer | 8,758.00 | 8,758.00 |
| | | 2004 Mac Tag Trailer | 6,000.00 | 6,000.00 |
| | | 2005 Kenworth & 1999 Semi Dump | 25,000.00 | 25,000.00 |
| | Possession of bankrupt | 2006 Timberking Forwarder | 60,000.00 | 60,000.00 |
| | Possession of bankrupt | 2006 John Deere 450D | 52,461.00 | 52,461.00 |
| | Possession of bankrupt | 2007 Sterling 9500 LT Dump Truck | 15,851.00 | 15,851.00 |
| | Possession of bankrupt | 2008 Page Enclosed Trailer | 2,000.00 | 2,000.00 |
| | Possession of bankrupt | 2011 Sierra 1500 | 4,102.00 | 4,102.00 |
| | | 2012 Ford F150 | 5,057.00 | 5,057.00 |
| | Possession of bankrupt | 2012 Hydra Lift (Dump Trailer) | 1,327.00 | 1,327.00 |
| | Possession of bankrupt | 2013 Hitachi Excavator | 31,334.00 | 31,334.00 |
| | Possession of bankrupt | 2015 Doosan DX2225LL Harvester | 148,842.00 | 148,842.00 |
| | Possession of bankrupt | 2015 Talbert T3-55LT-HR Trailer | 32,832.00 | 32,832.00 |
| | Possession of bankrupt | 2016 Case Excavator 145 | 54,067.00 | 54,067.00 |
| | Possession of bankrupt | 2016 Ford F250 | 7,550.00 | 7,550.00 |
| | Possession of bankrupt | 2017 Bobcat Mini Excavator | 19,860.00 | 19,860.00 |
| | Possession of bankrupt | 2017 Dodge Ram | 70,546.00 | 70,546.00 |
| | Possession of bankrupt | 2017 Dodge Ram #2 | 36,000.00 | 36,000.00 |
| | Possession of bankrupt | 2017 Ford F250 | 8,705.00 | 8,705.00 |
| | Possession of bankrupt | 2017 N and N Trailer | 3,047.00 | 3,047.00 |
| | Possession of bankrupt | 2018 Peterbilt | 75,788.00 | 75,788.00 |
| Possession of bankrupt | 2020 Case CX210D Excavator | 1.00 | 1.00 | |
| Possession of bankrupt | Utility Trailer ex Stuckless | 1,000.00 | 1,000.00 | |

28-Sep-2023

Date



Keith Wayne Chard

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

FORM 78 -- Concluded

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

List "H"

Property

Pathway Construction Ltd.

FULL STATEMENT OF PROPERTY

| Nature of property | Location | Details of property | Original cost | Estimated to produce |
|--|------------------------|-----------------------|---------------|----------------------|
| (f) Machinery, equipment and plant | Possession of bankrupt | 2004 Ford F250 Pickup | 4,000.00 | 4,000.00 |
| (g) Furniture | | | 0.00 | 0.00 |
| (h) Life insurance policies, RRSPs, etc. | | | 0.00 | 0.00 |
| (i) Securities | | | 0.00 | 0.00 |
| (j) Interests under wills, etc. | | | 0.00 | 0.00 |
| (k) Vehicles | | | 0.00 | 0.00 |
| (l) Taxes | | | 0.00 | 0.00 |
| (m) Other | | | 0.00 | 0.00 |
| | | | Total: | 706,288.00 |

28-Sep-2023

Date



Keith Wayne Chard

INSTRUCTIONS TO CREDITORS RESPECTING PROOF OF CLAIM FORM

CLAIMS NOT COMPLETED CORRECTLY IN EVERY RESPECT WILL BE RETURNED.

Any creditor who does not prove his claim is not entitled to share in any distribution. This checklist is provided to assist you in preparing the accompanying proof of claim form, and where required proxy form in a complete and accurate manner. Please specifically check each requirement.

GENERAL

- The signature of a witness is required.
- This document must be signed personally by the individual completing this declaration.
- Give the complete address where any notice or correspondence is to be forwarded.
- The amount on the statement of account (Schedule A) must correspond to the amount indicted on the proof of claim.

POINT 2

- A detailed statement of account must be attached to the proof of claim and must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

POINT 3

- A secured creditor must attach a certified true copy of the security agreement as registered and must give full particulars of the security, including the date the security was given and the value assessed to the security by the creditor.
- Claims by Farmer, Fisherman, or Aquaculturist must attach a copy of sales agreement and delivery documents.

POINT 4

- If you are related by blood or marriage to the Debtor, then you should consider yourself to be a related person pursuant to Section 4. If the Debtor is a corporation, you would be considered to be related to it if you were a shareholder or if your company was controlled by the same shareholders as the bankrupt corporation.

POINT 5

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - (a) Within three (3) months preceding the bankruptcy or the proposal in the case where the claimant and the debtor are not related.
 - (b) Within twelve (12) months preceding the bankruptcy or the proposal in the case where the claimant and the debtor are related.

NOTE: The *Bankruptcy and Insolvency Act* permits a proof of claim to be made by a duly authorized agent of the creditor, but in order for such a person to vote at the first meeting of creditors they must hold a properly completed proxy.

GENERAL

- A creditor may vote either in person or by proxy.
- A debtor may not be appointed a proxy to vote at any meeting of his creditors.
- The Trustee may be appointed as a proxy for any creditor.
- A corporation may vote by an authorized agent at a meeting of creditors.
- In order for a duly authorized person to have a right to vote, he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

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

- FORM 31 / 36 -
Proof of Claim / Proxy

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

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of Pathway Construction Ltd. of the Town of Clarenville in the Province of Newfoundland and Labrador and the claim of _____, creditor.

I, _____, of the city of _____, a creditor in the above matter, hereby appoint _____, of _____, to be my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without) power to appoint another proxyholder in his or her place.

I, _____ (name of creditor or representative of the creditor), of the city of _____ in the province of _____ do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____ (position/title) of _____, creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of proposal, namely the 28th day of September 2023, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ _____

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ _____,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ _____,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ _____,

G. CLAIM AGAINST DIRECTOR \$ _____

(To be completed when a proposal provides for the compromise of claims against directors.)
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. *(Applicable only in the case of the bankruptcy of an individual.)*

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Phone Number: _____

Fax Number: _____

E-mail Address: _____

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

Suite 201, 255 Lacewood Drive
Halifax NS B3M 4G2
Fax: (902) 425-3777
E-mail: corporateclaims@bdo.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

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

- FORM 37 -

Voting Letter
(Paragraph 51(1)(f) 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

I, _____, creditor (or I, _____, representative of
_____, creditor), of _____, a creditor in the above matter for the
sum of \$ _____, hereby request the trustee acting with respect to the proposal of Pathway
Construction Ltd., to record my vote _____ (for or against) the acceptance of the proposal as made on
the 12th day of December 2023.

Dated at _____, this _____ day of _____

Witness

Individual Creditor

Witness

Per _____

Return To:

BDO Canada Limited / BDO Canada Limitée - Licensed Insolvency Trustee

Suite 201, 255 Lacewood Drive
Halifax NS B3M 4G2
Fax: (902) 425-3777
E-mail: corporateclaims@bdo.ca



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

SUPPLEMENTAL INFORMATION FOR THE MEETING OF CREDITORS AND PRE-REGISTRATION FORM

The meeting of the creditors to consider the Proposal filed by Pathway Construction Ltd. (the “Debtor” or “Outdoors”) will be held on **January 11, 2024 at 11AM Newfoundland Time** (the “Creditors’ Meeting”). The Meeting will be held **virtually via Teleconference / Videoconference**.

All attendees will be required to pre-register for the Creditors’ Meeting in order to receive the link to the teleconference / videoconference.

Registration Process

Only creditors that have submitted their proof of claim form with the Trustee may pre-register for the Creditors’ Meeting by completing the registration form enclosed, duly completed, and signed by 4:00 P.M. Newfoundland Time on Monday, January 10, 2024. Failure to pre-register prior to the deadline may result in the creditor not being admitted to the Creditors’ Meeting. The Trustee maintains discretion with respect to accepting late Pre-registrations.

If the Creditors’ Meeting is adjourned or rescheduled, this process will have to be repeated by creditors who want to attend the rescheduled or reconvened meeting, with the Pre-Registration Form to be filed at least 1 business day before the start of the rescheduled or reconvened meeting. If multiple representatives of the creditor would like to attend the Creditors’ Meeting, please fill out the form for each individual.

Creditors who have pre-registered will receive a link to the teleconference / videoconference by e-mail, at the e-mail communication address provided in the Pre-Registration Form.

Proxies

Each creditor who has submitted their proof of claim has the right to appoint a person (who need not be a creditor) to attend, act, and vote for and on behalf of the creditor and such right may be exercised by completing the attached proxy form and inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the creditor will be deemed to have appointed the Trustee as the creditor’s proxyholder. If the Trustee is appointed or is deemed to be appointed as proxyholder and the creditor fails to indicate on the proxy a vote for or against approval of the Proposal, the proxy will be voted FOR approval of the Proposal, including any amendments thereto.**

If the proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Trustee. The proxy must be signed by the creditor or by a person duly authorized (by power of attorney) to sign on the creditor’s behalf or, if the creditor is a corporation, by a duly authorized officer or attorney of the corporation.

Unsigned proxies will be treated as being invalid for the purposes of voting on the Proposal or any resolution. Valid proxies from the same creditor bearing or deemed to bear a later date shall revoke this proxy. If more than one valid proxy for the same creditor and bearing or deemed to bear the same date received with conflicting instructions, such proxies will be treated as disputed proxies and shall not be counted.

The proxy form, once completed, dated, and signed, should be sent to the Trustee by email at corporateclaims@bdo.ca, and must be received by the Trustee by no later than 4:00 p.m. (Newfoundland Time) on January 10, 2024 in order to be counted at the Meeting.



Start of the meeting

The Trustee will open the lobby of the teleconference / videoconference 20 minutes before the Creditors' Meeting for attendees to sign in and register on the web-based platform. Only proxyholders and those individuals indicated in this or these Pre-Registration Form(s) attached duly completed will be admitted into the Creditors' Meeting.

Conduct of the meeting

The Creditors' Meeting will be chaired by a representative of the Trustee, as nominee of the Official Receiver. Except as specifically outlined herein, the procedure at the Creditors' Meeting will follow the rules set out in sections 51 to 56 and sections 105 to 115 off the *Bankruptcy and Insolvency Act* ("BIA").

In connection with the Creditors' Meeting, the creditors or representatives of creditors who want to address a question or make a comment to the Debtor, the Trustee or to the meeting in general, will be required to identify themselves, asked to make an intervention and await recognition by the chair of the Creditors Meeting, before making any such intervention.

Formal votes in respect of any matter may be taken through a poll taken by the chair of every person in attendance at the Creditors' Meeting.

At the discretion of the chair, a formal vote may also be taken in writing, in which case the Creditors' Meeting will be adjourned for a short period of time to allow creditors to vote by sending an email to the chair, at corporateclaims@bdo.ca, indicating their vote. A vote taken in writing will be subject to instructions provided by the chair.

Decisions of the chair will be final unless appealed by filing a motion to the Court within 10 days of the Creditors' Meeting.

Voting on the Proposal

If you have a provable claim against the Debtor, you can vote on the Proposal and if the Proposal is accepted by the required majority of creditors, it will be binding to all the creditors.

A creditor can vote by having its representative (i.e., proxy holder) attend the Creditors' Meeting as contemplated in the information herein and voting on the Proposal or any other subjects submitted at the meeting or in the alternative a creditor can vote by sending a voting form to the Trustee prior to the Creditors' Meeting. A voting form has been distributed to the creditors with the Notice of Proposal to Creditors.

If you intend to use a voting form instead of voting at the Creditors' Meeting, we ask that you forward such voting form to the Trustee as soon as possible as the only voting forms that will be considered are those voting forms which the Trustee is aware of at the time of the vote. Voting forms can be sent to the Trustee by email at corporateclaims@bdo.ca with the subject line "Voting Form".

In preparation for the Creditors' Meeting, you will find below a copy of the Pre-Registration Form. Please complete all of the required information to designate the person(s) who will be attending the meeting and fill out additional Pre-Registration Forms for each representative as necessary. The information set out below will be used to admit you into the Creditors' Meeting. Upon returning this duly completed and signed form, you will receive by e-mail an invitation to the Creditors' Meeting.



PRE - REGISTRATION FORM

(Fill in the form only if you wish to attend and have the right to vote at the creditors' meeting. It is not necessary to complete the form for creditors who submit their voting form in advance and do not wish to attend the Creditors' Meeting)

The creditor identified below (the "Creditor") hereby confirms that it has received, reviewed and accepted the requirements relating to attendance and participation in the Creditors' Meeting as set out in the Trustee's document dated December 18, 2023 titled Information for the Meeting of Creditors and Pre-Registration Form"

The Creditor hereby requests that the Trustee provide it with the information necessary to access the Creditors' Meeting by Teleconference / Videoconference.

The Creditor hereby appoints the person identified in the table below to be its proxyholder (Designated Representative) for the purpose of the Creditors' Meeting.

| | |
|---|--|
| Name of Creditor | |
| Name of Proxyholder/Designated Representative: | |
| E-Mail Address of Proxyholder/Designated Representative: | |

Signature of witness

Name of Creditor *(please print)*

Signature of authorized representative of Creditor

Please complete and return a duly signed copy of this form to the Trustee via email at corporateclaims@bdo.ca with the subject line "RSVP - Pathway Creditors' Meeting".

If you need additional information regarding the Creditors' Meeting 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:

Miranda Mavhunga CPA, CIRP, LIT