

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF QM GP INC. AND
HIGHPOINT ENVIRONMENTAL SERVICES INC.**

**PRE-FILING REPORT OF THE PROPOSED MONITOR
ALVAREZ & MARSAL CANADA INC.**

JULY 28, 2025

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1.0 INTRODUCTION

- 1.1 Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Proposed Monitor**”) understands that QM GP Inc. and Highpoint Environmental Services Inc. (collectively, the “**Applicants**”) intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), among other things, declaring that the Applicants are debtor companies to which the CCAA applies, extending the protections, authorizations, restrictions and benefits of the Initial Order and the CCAA to QM LP, QMF LP, TWT LP and Quantum Holdings LP (collectively, the “**Non-Applicant Related Parties**” and together with the Applicants, the “**QM Group**”), granting a stay of proceedings in favour of the QM Group and appointing A&M as Monitor of the QM Group (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicants under the CCAA are referred to herein as the “**CCAA Proceedings**”.
- 1.2 The QM Group is an environmental and industrial services company providing a wide range of demolition, remediation and emergency response services across Canada, primarily in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
- 1.3 The QM Group is comprised of several corporate entities and limited partnerships registered in Ontario, Manitoba and Saskatchewan. A copy of the QM Group’s current corporate structure is attached as Exhibit “A” to the Barrett Affidavit (as defined below).
- 1.4 With over 400 employees, the QM Group operates from 8 leased facilities across Canada, comprised of offices, warehouses and equipment storage facilities, with its head office being located in Burlington, Ontario.

- 1.5 While the QM Group has operated its business for 40 years and is considered an industry leader, severe working capital and liquidity issues have caused a strain on the borrowing base under the QM Group's Existing Credit Agreement (defined below), resulting in the QM Group being unable to pay its obligations in the ordinary course. These liquidity constraints have resulted in significant arrears owing to its subcontractors and suppliers, and has recently caused disruptions on a number of active project sites due to suppliers and vendors refusing to supply services until payments are made.
- 1.6 The principal purpose of these CCAA Proceedings is to stabilize and maintain the QM Group's business, which urgently requires a stay of proceedings and related relief under the CCAA, including access to interim financing required to fund ongoing operating and project related costs. The QM Group intends to use the breathing room afforded by the CCAA to, among other things: (i) review certain active projects to assess their profitability; (ii) discuss certain project contracts that cannot be completed in a profitable and economic manner with stakeholders and, if necessary, disclaim such project contracts and otherwise takes steps to reduce its expenses; and (iii) develop and implement a sale and investment solicitation process (the "**SISP**").
- 1.7 This pre-filing report (the "**Report**") should be read in conjunction with the affidavit of Agnieszka Barrett, Chief Executive Officer of the QM Group, sworn July 28, 2025, and filed in support of the application for relief under the CCAA (the "**Barrett Affidavit**"). The Barrett Affidavit, among other things, provides a detailed summary of the QM Group's background, including the events leading up to, and reasons for, the commencement of these CCAA Proceedings. Capitalized terms used and not defined in this Report have the meanings given to them in the Barrett Affidavit.

2.0 PURPOSE OF THE PRE-FILING REPORT

2.1 The purpose of this Report is to provide the Court with information, and, where applicable, the Proposed Monitor's view on:

- (i) A&M's qualifications to act as Monitor (if appointed);
- (ii) certain background information in respect of the QM Group;
- (iii) the QM Group's cash flow forecast for the two-week period ending August 8, 2025 (the "**Cash Flow Forecast**");
- (iv) the relief sought by the Applicants as part of the proposed Initial Order, including:
 - (a) approval of the proposed interim debtor-in-possession financing facility (the "**DIP Facility**") and the DIP Facility Term Sheet (the "**DIP Facility Agreement**") entered into on July 28, 2025 among QM LP, as borrower, QM GP Inc., Highpoint Environmental Services Inc., QMF LP, TWT LP and Quantum Holdings LP, as guarantors, and WeShall Investments Inc. ("**WeShall**"), as interim lender (in such capacity, the "**DIP Lender**");
 - (b) extending the benefits and protections afforded to the Applicants under the proposed Initial Order to the Non-Applicant Related Parties;
 - (c) authorizing the QM Group to continue to utilize its Cash Management System (as defined below);

- (d) granting the proposed Court-ordered Charges (as defined below) over the QM Group’s current and future assets, property and undertakings (collectively, the “**Property**”);
- (e) staying any person holding a performance bond on the Continuing QM Projects (as defined below) (collectively, the “**Performance Bonds**”), including any person named as an owner or obligee under such bond, from enforcing or calling on the Performance Bond except with the written consent of the QM Group and the Monitor, or with leave of the Court;
- (f) staying any proceeding or enforcement step taken against third parties that have provided an indemnity, guarantee, letter of credit, or similar obligation (collectively, the “**Third-Party Indemnity Obligations**”), on behalf of the QM Group in respect to the QM Group’s obligations under any construction project contract, in favour of Intact Insurance Company (“**Intact**”) and Aviva Insurance Company of Canada (“**Aviva**”);
- (v) the relief sought by the QM Group as part of the proposed Lien Regularization Order (the “**LRO**”);
- (vi) the intended next steps in these CCAA Proceedings; and
- (vii) the Proposed Monitor’s conclusions and recommendations in connection with the foregoing, as applicable.

2.2 If the Initial Order is granted, the Applicants intend to return to Court on August 7, 2025 for a hearing (the “**Comeback Hearing**”) to seek the Court’s approval of an Amended and

Restated Initial Order (the “**ARIO**”) which, among other things, would: (i) extend the stay of proceedings; and (ii) increase the amounts of the Administration Charge (as defined below) and the DIP Facility, including the DIP Lender’s Charge (as defined below).

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Report, A&M, in its capacity as the Proposed Monitor, has been provided with, and has relied upon, unaudited financial information and the books and records prepared by the QM Group, and has had discussions with management of the QM Group, its legal counsel and representatives of WeShall (collectively, the “**Information**”). Except as otherwise described in this Report in respect of the QM Group’s cash flow forecast:

- (i) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to in this Report was prepared based on the QM Group’s management’s estimates and assumptions. Readers are cautioned that since

projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

- 3.3 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars (“CAD”).

4.0 A&M’S QUALIFICATIONS TO ACT AS MONITOR

- 4.1 Alvarez & Marsal Canada ULC, an affiliated company of A&M, was engaged to act as consultants to the QM Group on July 3, 2025, to, among other things, assist the QM Group in reviewing and considering their financial position and strategic alternatives. As such, the Proposed Monitor is familiar with the business and operations of the QM Group, their personnel and the key issues and stakeholders in the proposed CCAA Proceedings.
- 4.2 A&M is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada) and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. The senior A&M professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants (Chartered Accountants), Chartered Insolvency and Restructuring Professionals, and Licensed Trustees in Bankruptcy, and who have acted in CCAA matters of a similar nature.
- 4.3 The Monitor has retained Goodmans LLP to act as its independent legal counsel.
- 4.4 A&M has consented to act as Monitor should the Initial Order be granted by the Court. A copy of A&M’s consent to act as Monitor is attached hereto as **Appendix “A”**.

5.0 BACKGROUND INFORMATION

- 5.1 The background of the QM Group's business and operations is set out in the Barrett Affidavit. Certain key points are summarized below.
- 5.2 As of the date of this Report, the QM Group has approximately 250 active projects, comprised of 120 demolition and remediation projects, and 130 emergency response projects.
- 5.3 The QM Group's typical demolition and remediation projects range in contract value from \$100,000 to upwards of \$100 million (earned over multiple phases and years). Notably, there are currently seven large projects that account for over \$337 million of contract value, representing approximately 66% of the QM Group's total active contract value.
- 5.4 The demolition and remediation projects vary widely in scope and size, and their respective timelines can range anywhere from a few weeks to multiple years.
- 5.5 The QM Group's emergency response business services properties damaged by environmental incidents and other catastrophic events, primarily for commercial and industrial customers. Typical emergency response projects range in contract value from \$10,000 to \$100,000, and are typically completed within a few weeks or months.

Employees

5.6 The following table summarizes QM Group's current headcount:

	Hourly	Salary	Total
Alberta	9	21	30
British Columbia	74	31	105
Manitoba	5	-	5
Ontario	169	89	259
Saskatchewan	15	4	19
Total	273	145	418

5.7 The Proposed Monitor understands QM Group is planning an immediate headcount reduction on the filing date, including the termination of approximately 40 hourly and salaried employees. The majority of the hourly employees are project level staff currently working on projects that are either being paused or are expected to be disclaimed, while the salaried employees are made up of office staff and regional project managers. Additional employees will be terminated and/or furloughed as projects are disclaimed or demobilized.

5.8 The QM Group employs approximately 140 unionized employees, consisting of highly skilled trades and labourers, and is a party to various collective agreements with different unions in Ontario and British Columbia.

5.9 The QM Group processes six different payroll registers for its various employee groups and lines of businesses. Certain of these payrolls are processed in-house, and others are processed by a third-party payroll service provider (Dayforce, formerly Ceridian).

5.10 During the CCAA Proceedings, the QM Group intends to continue funding ongoing employee related costs and benefits in the normal course. The Proposed Monitor

understands that all payroll and vacation obligations owing to employees who will have their employment terminated will be paid; however no severance or termination payments are anticipated in light of the commencement of the CCAA Proceedings. The QM Group is otherwise current on all of its obligations associated with employee costs other than arrears payable for Ontario employer health tax (“**EHT**”) in the amount of approximately \$250,000.

Secured Credit Facilities

- 5.11 The Bank of Nova Scotia (“**BNS**”) is the main operating and secured lender to the QM Group pursuant to a Credit Agreement dated June 6, 2023 (as amended, the “**Existing Credit Agreement**”) among QM LP (in such capacity, the “**Borrower**”), QMF LP, TWT LP, Quantum Holdings LP and the Applicants, as guarantors, and BNS, as lender.
- 5.12 As at the date of this Report, BNS’s aggregate potential exposure is approximately \$34.3 million, comprised of \$29.2 in outstanding secured debt and \$5.1 million in letters of credit.

<i>(CAD in millions)</i>	Total Outstanding
BNS Revolver	\$12.3
BNS Term Loan	\$16.9
Pre-filing Secured Debt Outstanding	\$29.2
Add: Letters of Credit	\$5.1 ¹
Total BNS Exposure	\$34.3

5.13 Pursuant to the Existing Credit Agreement, BNS provides revolving loans to the Borrower in the aggregate principal amount of up to \$19.8 million. The maximum amount available for borrowing under the Existing Credit Agreement is derived from a borrowing base formula based on the Borrowers' receivables and inventory, less outstanding letters of credit and availability reserves. As of the date of this Report, and in the weeks leading up to the filing, QM Group has been in an over-advance position on its borrowing base, which is a contributing reason for the liquidity constraints currently impacting the business.

Equipment Financing

5.14 The QM Group leases equipment and vehicles from various equipment companies, most of which are encumbered by capital leases registered in the applicable provincial personal property registries. The QM Group owes approximately \$9.0 million to these various equipment financing companies.

¹ The Letters of Credit are comprised of: (i) three in the aggregate amount of approximately \$3.4 million, with the beneficiary being the customer of an active project; and (ii) one in the amount of approximately \$1.7 million, with the beneficiary being the counterparty to a settlement agreement.

Sureties

- 5.15 Certain of the QM Group's ongoing projects are bonded either by its current surety, Intact, or its prior surety, Aviva (the "**Bonded Projects**"). A summary of the QM Group's current Bonded Projects is attached as Exhibit "S" to the Barrett Affidavit.
- 5.16 Pursuant to the Bond Facility Agreement dated November 17, 2020 between QM LP and Aviva, Aviva agreed to provide a bond facility for contract surety performance bonds, labour & material payment bonds, maintenance bonds, bid bonds and agreements to bond with a single contract limit of \$20 million and an aggregate program limit of \$150 million.
- 5.17 In 2023, the QM Group transitioned to a bonding facility with Intact. Pursuant to a Terms and Conditions Agreement dated June 13, 2024 entered into between QM LP and Intact, Intact agreed to provide a bonding facility with a single project size of \$25 million and an aggregate program of \$150 million.
- 5.18 As of the date of this Report, there are no outstanding liens on the Bonded Projects. As described below, there is approximately \$16.7 million currently owing by the QM Group to various contractors, trades and suppliers on the Bonded Projects.

Trade Creditors

- 5.19 Based on QM Group's books and records, as at July 14, 2025, amounts payable to trade creditors totalled approximately \$44.6 million, comprised of the following:
- (i) approximately \$16.7 million owing to various contractors, trades and suppliers on the Bonded Projects;

- (ii) approximately \$12.4 million owing to various contractors, trades and suppliers on non-bonded projects; and
- (iii) approximately \$15.5 million owing to other general suppliers and creditors.

5.20 Amounts payable to trade creditors do not include potential litigation and other contingent liabilities, which are not yet quantifiable.

6.0 INTERIM FINANCING

6.1 As set out in the Barrett Affidavit, the QM Group no longer has access to further availability under the Existing Credit Agreement and is facing a liquidity crisis. Over the past several weeks the QM Group, with the assistance of the Proposed Monitor, engaged in discussions with BNS, WeShall, Intact and Aviva to advise them of the QM Group's financial position and discuss obtaining additional financing.

6.2 BNS advised the QM Group it is no longer willing to extend credit to it, while Intact advised it is only funding the portion of the accounts payable that Intact is legally obligated to pay under the Bonded Projects. Accordingly, without additional financing, the QM Group will not have sufficient liquidity to continue operating in the normal course. Additionally, Intact recently demanded that the QM Indemnitors and QM Points Contract Limited Partnership provide credit support in the amount of \$12.5 million in the form of cash, letters of credit, or otherwise.

6.3 WeShall, the QM Group's primary shareholder, advised that it was willing to provide the QM Group with additional financing in the form of the DIP Facility, subject to obtaining a Court ordered super-priority charge.

- 6.4 To support the QM Group’s restructuring efforts and avoid an abrupt shutdown of the business, on July 28, 2025 the QM Group entered into the DIP Facility Agreement with WeShall. Pursuant to the Initial Order, the Applicants are seeking approval to borrow up to \$3.3 million under the DIP Facility during the initial 10-day period until the Comeback Hearing (the “**Initial Borrowing**” together with the subsequent advances pursuant to the DIP Facility Agreement, the “**Interim Borrowings**”).
- 6.5 The requested Initial Order contemplates that Interim Borrowings will be secured by way of a court-ordered super-priority charge (defined as the “**DIP Lender’s Charge**”), subordinate only to the Administration Charge.
- 6.6 A summary of certain of the key terms and components of the DIP Facility is set out in the table below. Reference should be made to the DIP Facility Agreement for the full detailed terms and conditions of the DIP Facility. A copy of DIP Facility Agreement is attached hereto as **Appendix “B”**.

DIP Facility <i>(Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the DIP Facility)</i>	
Parties	<ul style="list-style-type: none"> • Borrowers: QM LP • Guarantors: QM GP Inc., QMF LP, TWT LP, Quantum Holdings LP and Highpoint Environmental Services Inc. • Interim Lender: WeShall Investments Inc.
Maximum Amount	<ul style="list-style-type: none"> • Revolving loan up to the maximum principal amount of \$14.0 million
DIP Facility Advances	<ul style="list-style-type: none"> • The DIP Facility shall be available in multiple advances, as follows: <ul style="list-style-type: none"> (i) an Initial Advance in the amount of \$3,300,000; and (ii) Subsequent Advances (together with the Initial Advance, the “DIP Advances”) to be drawn at the request of the Borrower.
Interest	<ul style="list-style-type: none"> • 14% on the outstanding principal owing under the DIP Facility. • Interest shall accrue and be added to the principal amount of the DIP Facility on the first day of each month. • Following an Event of Default, interest shall accrue at 16% per annum.

Costs, Fees, and Expenses	<ul style="list-style-type: none"> • Commitment Fee of 1.5% of the Maximum Amount, earned in two tranches following Court approval of: (i) the Initial Advance, and (ii) the Maximum Amount. • The Borrower shall pay all reasonable and documented costs and expenses of the DIP Lender, including the Legal Fees, all of which shall be secured by the DIP Lender's Charge.
Use of Funds	<ul style="list-style-type: none"> • The Borrower shall use proceeds of the DIP Facility solely for the following purposes and subject to the Initial DIP Budget, the DIP Budget or the Updated DIP Budget: <ul style="list-style-type: none"> (i) to pay the reasonable and documented professional and advisory fees and expenses (including legal fees and expenses) of (i) the Borrower, (ii) the Monitor, and (iii) the DIP Lender; (ii) to pay the Interest, fees and other amounts owing to the DIP Lender under the DIP Term Sheet; (iii) to fund the Borrower's working capital needs in accordance with the approved DIP Budget or Updated DIP Budget; (iv) to pay amounts for the Borrower's payroll, union dues, advisory fees, and for goods and/or services actually supplied to the Borrower; and (v) such other costs and expenses of the Borrower as may be agreed to by the DIP Lender, in writing.
Key Initial Advance Conditions	<ul style="list-style-type: none"> • The Court shall have issued the Initial Order in form and substance acceptable to the DIP Lender and the Monitor, which, among other things, shall (i) approve this Term Sheet, (ii) authorize the DIP Facility and the borrowing of the Initial Advance, and (iii) approve the DIP Lender's Charge, which DIP Lender's Charge shall have priority over all Liens on the QM Group's Collateral other than the Permitted Priority Liens.
Key Subsequent Advance Conditions	<ul style="list-style-type: none"> • The Court shall have issued the Amended and Restated Initial Order in form and substance acceptable to the DIP Lender and the Monitor, including the continuance and expansion of the DIP Lender's Charge. • All Initial Advance Conditions shall continue to be satisfied. • No Default or Event of Default shall have occurred or will occur as a result of the requested Subsequent Advance. • On or before the issuance of the Amended and Restated Order, Intact shall have returned to Kingsdale² for cancellation, the uncalled Letter of Credit issued to it by Kingsdale on behalf of the QM Group, and no Person that has issued bonds in respect of the QM Group or its projects shall have further recourse to Kingsdale, the DIP Lender or 2539593 Ontario Inc., or such other satisfactory arrangements shall have been agreed to as between such bonding companies and the DIP Lender, satisfactory to the DIP Lender in its sole discretion. • An acceptable binding bid to the Monitor and the DIP Lender under the SISP shall have been received on or before September 29, 2025, or such later date as may be agreed to by the DIP Lender in its sole discretion.

² Kingsdale Partners Limited Partnership ("Kingsdale") is a portfolio company of WeShall, not otherwise related to the QM Group.

Key Events of Default	<ul style="list-style-type: none"> • Failure of the Borrower to pay principal, interest or other amounts when due. • Any breach by the Credit Parties of any covenant or agreement contained in the DIP Credit Documentation. • Failure of to meet any of the following milestones: <ul style="list-style-type: none"> ○ the Initial Order is not issued by the Court on or before July 29, 2025; ○ the Amended and Restated Initial Order is not issued by the Court by August 8, 2025; and ○ An order approving the SISP is not issued by the Court on or before the date of issuance of the Amended and Restated Initial Order or such later date as may be satisfactory to the DIP Lender in its sole discretion, or if any SISP milestones are moved in a manner not satisfactory to the DIP Leder, or any SISP milestone is breached by more than 2 Business Days. • The occurrence of a Material Adverse Change. • Issuance of any Court Order that adversely affects the interest of the DIP Lender. • Any Plan is filed or sanctioned, or any transaction is sought to be approved, including pursuant to the SISP, that is not acceptable to the DIP Lender, including if a Plan or transaction does not provide for the repayment in cash in its entirety of the DIP Facility. • A breach by the Credit Parties of one of the following cash flow tests: <ul style="list-style-type: none"> (i) the sum of the actual cumulative Operating Disbursements shall not exceed 110% of the sum of the cumulative Operating Disbursements set forth in the then approved DIP Budget (Operating Disbursements excludes any amounts subject to the Administration Charge); and (ii) the sum of the actual cumulative cash receipts shall not be less than 90% of the of the sum of cumulative cash receipts set forth in the then approved DIP Budget.
Maturity	<ul style="list-style-type: none"> • The DIP Facility shall be due and repayable in full on the earlier of: <ul style="list-style-type: none"> (i) November 14, 2025 (or such later date as the DIP Lender in its discretion may agree to in writing with the Borrower); (ii) the closing of a Court-approved transaction for substantially all of the assets or units of the Borrower; (iii) the implementation of a Court-approved Plan in the CCAA Proceedings; (iv) the refinancing of the DIP Facility; (v) the date on which the CCAA Proceedings are terminated or converted into a proceeding under the Bankruptcy and Insolvency Act (Canada), or the stay of proceedings expires without extension; (vi) the payment in full of the Obligations owing to the DIP Lender; and (vii) the DIP Lender giving notice to the Borrower of the occurrence of an Event of Default.

Proposed Monitor's View on the DIP Facility

6.7 The Proposed Monitor respectfully recommends that the Court approve the DIP Facility for the following reasons:

- (i) the QM Group has no ability to draw under the Existing Credit Agreement and no access to alternative financing. Accordingly, in the absence of the DIP Facility being approved, the QM Group will have no liquidity to fund its operations or these CCAA Proceedings;
- (ii) WeShall was the only stakeholder who offered to provide sufficient interim financing to the QM Group and such offer was prefaced on obtaining the DIP Lender's Charge. Given the nature of the QM Group's business (including that the QM Group does not own a significant amount of hard assets or inventory), the Monitor does not believe sufficient interim financing could be obtained from third parties within the period of time available to the QM Group;
- (iii) the DIP Facility is the result of negotiations amongst the QM Group, the DIP Lender, the Monitor and their respective advisors, and represents the best terms that the QM Group could negotiate in the circumstances in order to obtain funding to seek a going concern outcome for its business;
- (iv) the Proposed Monitor has reviewed comparable DIP financing facilities and is of the view that the terms of the DIP Facility, including the interest rate and fees charged, are reasonable and within market parameters. Attached as **Appendix "C"** is a summary of select DIP financing facilities that have recently been approved by this Court in similar CCAA proceedings. The Monitor notes that these comparable DIP loans: (a) range in size from \$1.0 million to \$55.0 million; (b) have interest rates in the range of 6% to 18%, with an average rate of 12.1%; and (c) have

incremental fees that average 1.7%. In comparison, the proposed DIP Facility contemplates an interest rate of 14% and 1.5% in incremental fees; and

- (v) as discussed in section 7.0 hereof, the Initial Borrowing is projected to provide QM Group with sufficient liquidity during the initial 10-day period of the CCAA Proceedings to allow the QM Group to stabilize its business and operations until the Comeback Hearing.

6.8 The Proposed Monitor notes that the availability of Subsequent Advances under the DIP Facility is subject to, among other conditions, Intact and the DIP Lender reaching a satisfactory arrangement regarding the return and cancellation of a Letter of Credit issued to Intact by Kingsdale, for the benefit of the QM Group and that no other Person (as defined in the DIP Facility Agreement) that has issued bonds in respect of the QM Group or its projects shall have further recourse to Kingsdale, the DIP Lender or 2539593 Ontario Inc., or such other satisfactory arrangements shall have been agreed to as between such bonding companies and the DIP Lender, satisfactory to the DIP Lender in its sole discretion.

6.9 The Monitor understands that the QM Group and WeShall intend to engage with Intact in advance of the Comeback Hearing to attempt to satisfy this condition. However, if such an arrangement cannot be agreed to, satisfactory to the DIP Lender in its sole discretion, Subsequent Advances will not be made available to the QM Group, and the QM Group will need to seek alternative financing arrangement, disclaim additional projects and/or immediately cease operations.

7.0 NON-APPLICANT RELATED PARTIES

- 7.1 The Applicants are requesting that the relief sought in the Initial Order be extended to the Non-Applicant Related Parties. These parties are limited partnerships and are therefore not “debtor companies” pursuant to the CCAA.
- 7.2 QM LP, one of the Non-Applicant Related Parties, is the core operating company of the QM Group and the borrower under the Existing Credit Agreement, while certain of the other Non-Applicant Related Parties are guarantors under the Existing Credit Agreement and indemnitors under the bonding facilities with Intact and Aviva. The Non-Applicant Related Parties are deeply integrated into the QM Group and its ability to operate its business. The Proposed Monitor is therefore of the view that a relief sought in the Initial Order should be extended to the Non-Applicant Related Parties.

8.0 CASH FLOW FORECAST

- 8.1 The QM Group has prepared the Cash Flow Forecast for the two-week period ending August 8, 2025 (the “**Initial Period**”). A copy of the Cash Flow Forecast, together with a summary of assumptions (the “**Cash Flow Assumptions**”) and management’s report on the cash-flow statement required by section 10(2)(b) of the CCAA are attached hereto as **Appendices “D” and “E”**, respectively.

The following table provides a summary of the Cash Flow Forecast:

QM Environmental Cash Flow Forecast (CAD \$000's)	Week 1 1-Aug	Week 2 8-Aug	Initial Period Total
Total Receipts	559	678	1,237
Disbursements			
Vendors & Subcontractors	650	650	1,300
Payroll, Benefits, Union	1,263	740	2,003
Rents & Leases	542	72	614
Other Disbursements	140	45	185
Professional Fees	-	285	285
Total Disbursements	2,595	1,791	4,387
Net Cash Flow	(2,037)	(1,113)	(3,150)
Opening Cash Balance	-	1,263	-
Net Cash Flow	(2,037)	(1,113)	(3,150)
DIP Financing, Initial Advance	3,300	-	3,300
Closing Cash Balance	1,263	150	150

8.2 The Proposed Monitor notes the following:

- (i) receipts include the collection of existing accounts receivable anticipated to be collected during the Initial Period;
- (ii) vendors and subcontractor payments include only critical project related costs required to maintain and secure the QM Group's active project sites and facilities during the Initial Period;
- (iii) salaries and benefits include payroll, benefits, union dues and taxes, the \$250,000 EHT arrears described above, and accrued vacation payouts for certain employees anticipated to be terminated at the commencement of these CCAA Proceedings; and
- (iv) professional fees include the fees of the QM Group's counsel, the Monitor, and the Monitor's counsel.

- 8.3 During the Initial Period, net cash flows are projected to be negative \$3.15 million, projected to be sufficiently funded by customer collections and the Initial Borrowing described above.
- 8.4 The Proposed Monitor notes that following the Initial Period, the QM Group will require incremental funding by way of: (i) further DIP Advances (as described above); and (ii) Intact providing payment to the QM Group's contractors, trades and suppliers for amounts owing under labour and material payment bonds on Intact Bonded Projects, consisting entirely of pre-filing amounts owing. Without both of these critical funding sources, the QM Group will not be able to continue its operations and complete the Continuing QM Projects.
- 8.5 The Proposed Monitor notes that the QM Group's June sales tax obligations of approximately \$1.3 million would have otherwise been remitted during the Initial Period. Due to liquidity constraints, these amounts are now projected to be paid following the Comeback Hearing and approval of the full DIP Facility.
- 8.6 Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:
- (i) the Cash Flow Assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (ii) as at the date of this Report, the Cash Flow Assumptions are not suitably supported and consistent with the plans of the QM Group or do not provide a reasonable basis for the Cash Flow Forecast, given the Cash Flow Assumptions; or

(iii) the Cash Flow Forecast does not reflect the Cash Flow Assumptions.

8.7 The Cash Flow Forecast has been prepared solely for the purpose described above and readers are cautioned that it may not be appropriate for other purposes.

9.0 CASH MANAGEMENT SYSTEM

9.1 As described in the Barrett Affidavit, the QM Group has a centralized cash management system for the collection, transfer and disbursement of funds (the “**Cash Management System**”), which is maintained and administered by treasury and finance personnel at the QM Group’s head office.

9.2 The QM Group maintains and administers seven bank accounts with BNS, together with additional bank accounts administered on behalf of joint-venture entities and agreements. BNS has agreed to provide the QM Group with continuing access to its operating and disbursement accounts during the CCAA Proceedings.

9.3 Pursuant to the proposed Initial Order, QM Group seeks approval of its continued use of the Cash Management System in substantially the same manner as before the commencement of these CCAA Proceedings. Given the scale and nature of QM Group’s operations and the volume of transactions that are processed daily within the Cash Management System, the Proposed Monitor is of the view that the continued use of the existing Cash Management System is required and appropriate during these CCAA Proceedings.

9.4 As part of its monitoring procedures, the Proposed Monitor will:

(i) review receipts and disbursements processed through the Bank Accounts;

- (ii) review weekly receipts and disbursements summaries, compare the summaries to the corresponding cash flow forecasts and review variances with management;
- (iii) review disbursements, as reasonably appropriate, for compliance with provisions of the proposed Initial Order;
- (iv) review and track ordinary intercompany cash transfers that occur among the Bank Accounts; and
- (v) track receipts and disbursements on a project by project basis.

10.0 COURT ORDERED CHARGES SOUGHT IN THE INITIAL ORDER

10.1 In the addition to the DIP Lender's Charge discussed above, the Proposed Initial Order seeks the granting of the Administration Charge, the Directors' Charge and the Lien Charge (each as discussed below) (and together with the DIP Lender's Charge, the "**Charges**") over the Property of QM Group, in the following priorities:

Proposed Charges		\$000's
1.	Administration Charge	\$750
2.	DIP Lender's Charge	\$3,300, plus fees and interest
3.	Directors' Charge	\$3,600
4.	Lien Charge	<i>as discussed below</i>

10.2 The Initial Order provides that the Charges are to rank in priority to all other security interests, trusts, liens, charges, encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any person, provided that the Charges shall rank behind Encumbrances in favour of any parties that have not been served with notice of the Applicants' application under the CCAA. The Proposed Monitor

understands the QM Group will seek full priming for the Charges at the Comeback Hearing.

Administration Charge

- 10.3 The proposed Initial Order provides for a first ranking charge in an amount not to exceed \$750,000 on the Property to secure the fees of the Monitor, counsel to the Monitor and counsel to the QM Group (the “**Administration Charge**”). The Proposed Monitor understands that the QM Group intends to seek an increase in the amount of the Administration Charge to \$1.25 million at the Comeback Hearing.
- 10.4 The Proposed Monitor assisted the QM Group in the calculation of the Administration Charge and is of the view that the amount of the charge for the initial 10-day period is reasonable and appropriate in the circumstances, having regard to the nature of the proceedings and the size of charges approved in similar sized proceedings.

Directors’ Charge

- 10.5 The proposed Initial Order provides that the QM Group will indemnify their current and future directors and officers against obligations and liabilities that they may incur in their capacity as directors and officers of the QM Group from the commencement of the CCAA Proceedings, except to the extent that any obligation or liability was incurred as a result of gross negligence or wilful misconduct, and provides for a second ranking charge on the Property in the amount of \$3.6 million as security for any such obligations or liabilities arising after the commencement of these CCAA Proceedings (the “**Directors’ Charge**”).

10.6 As described in the Barrett Affidavit, QM Group maintains directors' and officers' liability insurance (the "**D&O Insurance**"). However, it is uncertain whether all claims for which the directors and officers may be personally liable will be covered by the D&O Insurance given exclusions under the policy. It is also uncertain whether the coverage provided by the D&O Insurance will be sufficient to adequately protect the directors and officers from liability and to incentivize the directors and officers to continue their service to the QM Group.

10.7 The Proposed Monitor assisted the QM Group in the calculation of the initial quantum of the Directors' Charge, taking into consideration the amount of the QM Group's payroll, vacation pay and federal and provincial/state sales tax liabilities during the initial 10-day stay period. The components that comprise the proposed Directors' Charge are estimated as follows:

Proposed Directors' Charge	\$000's
Provision for employee wages and source deductions	\$2,300
Provision for sales taxes	\$250
Provision for accrued vacation pay as of the Filing Date	\$250
Provision for union dues	\$600
Provision for employee termination/severance (Saskatchewan)	\$150
Provision for employee benefits, EHT and other similar amounts	\$50
Total	\$3,600

10.8 The Proposed Monitor understands that the directors and officers of the QM Group have advised that they are not willing to continue in their current roles absent the protection afforded to them under the Directors' Charge. In the circumstances, the Proposed Monitor is of the view that the Directors' Charge is required and reasonable.

11.0 CRITICAL VENDOR PAYMENTS

- 11.1 To preserve the value of the Continuing QM Projects and to allow these projects to be completed with minimal disruption, the QM Group is seeking authorization to pay, with the approval of the Monitor, certain amounts owing to critical suppliers who supplied goods or services prior to the filing date.
- 11.2 The Proposed Monitor is of the view that the payment of these pre-filing amounts is reasonable in the circumstances, as it will enhance the QM Group's ability to stabilize and complete the Continuing QM Projects, with a view of minimizing disruption to the QM Group's business and allowing it to focus on its restructuring plan.
- 11.3 The Proposed Monitor notes that this provision in the Initial Order is not intended to be used on projects supported by Intact labour and material payment bonds, as such pre-filing amounts are anticipated to be funded by Intact.

12.0 STAY OF PERFORMANCE BONDS

- 12.1 The Proposed Monitor notes that the QM Group is seeking to stay any person with recourse to the Performance Bonds, including any person named as an owner or obligee under such Performance Bonds. The Monitor understands that the QM Group is unaware of any breach or default of any of the Performance Bonds and has not been notified of any default under the Performance Bonds.
- 12.2 The Monitor is of the view that a stay of the Performance Bonds is reasonable and appropriate in the circumstances as any steps taken in respect of the Performance Bonds would disrupt to the Continuing QM Projects and negatively impact the QM Group's

ongoing operations and ability to pursue its restructuring efforts to the detriment of the QM Group and its stakeholders.

13.0 TEMPORARY STAY OF LETTER OF CREDIT

13.1 The Proposed Monitor notes that the QM Group is seeking a stay of proceedings in favour of WeShall and certain related parties in respect of the Third-Party Indemnity Obligations made on behalf of the QM Group in favour of its past or present sureties, including Intact and Aviva. As noted above, it is a specific condition of any subsequent advance under the DIP Facility that Intact shall have returned a \$5 million letter of credit issued on behalf of the QM Group by Kingsdale and that no other Person (as defined in the DIP Facility Agreement), including Intact, that has issued bonds in respect of the QM Group or its projects shall have further recourse to Kingsdale, the DIP Lender or 2539593 Ontario Inc., or such other satisfactory arrangements shall have been agreed to as between such bonding companies and the DIP Lender, satisfactory to the DIP Lender in its sole discretion. The Proposed Monitor is supportive of this stay relief being granted at this stage to facilitate the QM Group's ability to access the Initial Advance under the DIP Facility and to allow for continuing negotiations amongst stakeholders regarding these matters in the period leading up to the Comeback Hearing. The Monitor notes that similar stay relief was granted in the *Nordstrom*, *Balboa Inc. et al. (Re)*, *Pride Group Holdings Inc.* and *Earth Boring* CCAA cases. If appointed, the Proposed Monitor will update the Court on the status of these matters and its views on the continuation of such stay following the Comeback Hearing.

14.0 LIEN REGULARIZATION ORDER

- 14.1 As at the date of this Report, the Proposed Monitor understands there are approximately 300 suppliers, subcontractors and other trades actively engaged on Continuing QM Projects that could hold potential lien and/or trust claims under Provincial Lien Legislation in respect of such projects. The filing of liens or assertion of trust claims under the Provincial Lien Legislation in respect of the Continuing QM Projects would undermine the purpose of these CCAA Proceedings, *i.e.* to stabilize and maintain the QM Group's business while it explores a comprehensive restructuring solution, by, among other things, negatively impacting the QM Group's ability to collect amounts owing on the Continuing QM Projects, distracting management from restructuring efforts and requiring significant professional time to address lien claims.
- 14.2 Provincial Lien Legislation has numerous technical requirements, including (generally speaking) that a lien be registered on title to the relevant project owner's property, thereby preserving the lien, and thereafter perfected by issuing a statement of claim and registering a certificate of action on title. The proposed LRO would establish a streamlined Court-supervised process, administered by the Monitor, to replace the various technical requirements for preserving and perfecting a lien under the Provincial Lien Legislation. The LRO is intended to address the practical issues created by these technical requirements without prejudicing the lien claimants' rights in any material way and, in fact, gives such claimants certainty as to how their claim will be dealt with.
- 14.3 Without the process provided for under the proposed LRO, the QM Group and Monitor would need to consent to lift the stay of proceedings under the Initial Order for each lien

claimant individually to allow such claimant to preserve and perfect its Lien Claim (as defined below) to comply with Provincial Lien Legislation, and then the QM Group would have to determine how to address the Lien Claim. There is a significant risk that the amount and quantum of liens asserted against a Continuing QM Project would be too high for the QM Group to be able to vacate liens without issue and within a reasonable timeframe, putting continued construction and collection of receivables at risk. Additionally, this process would distract from and potentially disrupt the QM Group's restructuring efforts while putting a further strain on its' financial and operational resources.

- 14.4 Lien registrations against the Continuing QM Projects would also disrupt or delay the flow of funds to the QM Group or from the QM Group's customers to their other providers. Any potential for non-payment, delay in payment, or exercise of set-off rights by the QM Group's customers due to the actual or threatened registration of liens will expose the QM Group to additional short-term liquidity risks that could jeopardize its restructuring efforts.
- 14.5 The Proposed Monitor notes that in similar circumstances, the Court has exercised its jurisdiction to establish claims processes for lien claimants similar to the process provided for in the proposed LRO, notably in the *Companies' Creditors Arrangement Act* proceedings of Comstock Canada Ltd. *et al.* (Justice Morawetz, as he then was), FirstOnSite G.P. Inc. (Justice Newbould), Carillion Canada Inc. *et al.* (Justice Hainey), One Bloor West GP Inc. (Justice Osborne) and *Earth Boring* (Justice Steele).
- 14.6 Of note, the LRO will only apply to Continuing QM Projects, and not those projects which the QM Group disclaims. The Monitor is working with the QM Group to attempt to ensure that only projects that the QM Group intends to attempt to complete are listed in the LRO,

in order to avoid interference with lien rights in situations where it is foreseeable that the applicable project may be disclaimed.

14.7 Below is a summary of the process provided for in the proposed LRO. Reference should be made directly to the LRO for a complete understanding of its terms:

- (i) any person (an “**Asserting Lien Claimant**”) who wishes to assert a lien claim under the Provincial Lien Legislation (a “**Lien Claim**”) against a Continuing QM Project will do so by delivering a lien notice (a “**Lien Notice**”) to the Monitor, counsel to the Monitor and counsel to the QM Group (and counsel to Intact and/or Aviva, as applicable, where a bond has been issued in respect of the relevant project) within the time frame prescribed by the Provincial Lien Legislation in order to preserve and perfect their Lien Claim for the applicable Continuing QM Project;
- (ii) all Lien Claims preserved or perfected by any person prior to the granting of the proposed LRO will be vacated and such persons deemed to have delivered a Lien Notice in accordance with the LRO;
- (iii) upon delivering or being deemed to have delivered a Lien Notice in accordance with the LRO, an Asserting Lien Claimant will be granted a charge (the “**Lien Charge**”) against the property of the applicable QM Group company to, and only to, the extent of, any security granted under the Provincial Lien Legislation for such Lien Claim. The Lien Charge is not intended to increase or decrease the scope of the charge that would secure a Lien Claim under Provincial Lien Legislation in the normal course;

- (iv) any person who is in possession of Holdback funds or who is required to retain Holdback funds pursuant to the Provincial Lien Legislation is restrained from paying, setting-off, releasing or encroaching upon such Holdback funds until the day after the last day upon which a Lien Claim could have been registered/delivered for the relevant contract pursuant to Provincial Lien Legislation but for the provisions of the LRO, at which time such person shall, subject only to any right of set-off claimed by the payor against such Holdback funds, pay the Holdback funds to the Monitor to be held in a segregated account; and
- (v) at a later time, the Monitor may (or shall, upon further Order of this Court) bring a motion on notice to the service list seeking approval of a process for reviewing, determining or challenging: (a) the validity or timeliness of any Lien Notice; (b) the validity or quantum of the amounts set out in any Lien Notice; (c) the entitlement of any Asserting Lien Claimant to a Lien Charge; and (d) the attachment or priority of any Lien Charge under the LRO and the Initial Order. The Monitor shall also be entitled to seek a determination by the Court of any of the foregoing with respect to any Lien Claim at any time upon notice to the relevant Asserting Lien Claimant.

14.8 The terms of the proposed LRO sought by the QM Group are intended to provide the QM Group and its stakeholders with appropriate protections and flexibility to: (i) support the QM Group's flow of funds; (ii) minimize disruption to the QM Group's restructuring efforts; and (iii) ensure that the rights of current and potential Lien Claimants are recognized.

14.9 For the reasons discussed above, the Proposed Monitor believes that the granting of the LRO is reasonable and appropriate in the circumstances, having a regard to the nature of the QM Group's business and the interests of all stakeholders in the Continuing QM Projects. The Proposed Monitor is also of the view that it is appropriate to implement the LRO at the outset of these CCAA Proceedings in order to avoid the potential filing of Lien Claims pending the Comeback Hearing.

15.0 INTENDED NEXT STEPS IN THESE CCAA PROCEEDINGS

15.1 The Proposed Monitor understands that, subject to obtaining the proposed Initial Order, the QM Group intends to:

- (i) continue to operate the QM Group's business, including focusing efforts on projects that it intends to continue through completion (the "**Continuing QM Projects**"), and maintaining the emergency response business in the ordinary course;
- (ii) continue, with the assistance of the Proposed Monitor, to review its portfolio of approximately 250 projects to determine cost to complete, completion status and forecast project profitability;
- (iii) immediately pause and/or disclaim any project that cannot be continued and completed in an economic and cash flow positive manner;
- (iv) return to Court at the Comeback Hearing to seek the ARIO; and
- (v) develop and seek approval of a SISF.

16.0 STAY OF PROCEEDINGS

16.1 The proposed Initial Order contemplates the granting of an initial 10-day stay of proceedings in respect of the QM Group, its business and the Property, as well as QM Group's directors and officers.

16.2 The proposed stay of proceedings will provide the QM Group with stability for its business and enable it to operate in the normal course while it works to implement the SISP or other restructuring solution to maximize value for stakeholders.

17.0 MONITOR'S RECOMMENDATION

17.1 For the reasons set out in this Report, the Proposed Monitor is of the view that the relief sought by the QM Group in the proposed Initial Order and LRO is reasonable, appropriate and necessary, having regard to the current circumstances of the QM Group.

17.2 As such, the Proposed Monitor supports the Applicants' application for CCAA protection and respectfully recommends that the Court grant the Initial Order and LRO containing the relief requested by the Applicants.

All of which is respectfully submitted to this Court this 28th day of July, 2025.

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Proposed Monitor of QM
GP Inc. *et al.*



Per:

Josh Nevsky
Senior Vice President

APPENDIX A
CONSENT TO ACT AS MONITOR

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF QM GP INC. AND HIGHPOINT
ENVIRONMENTAL SERVICES INC.**

Applicants

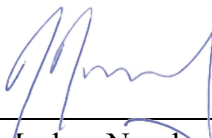
CONSENT OF THE PROPOSED MONITOR

Alvarez & Marsal Canada Inc. hereby consents to act as Court-appointed monitor of QM GP Inc., Highpoint Environmental Services Inc. (the "**Applicants**"), QM LP, QMF LP, TWT LP and Quantum Holdings LP, in respect of these proceedings, subject to the granting of an initial order under the *Companies' Creditors Arrangement Act* (Canada) in the form included in the Applicants' application record.

Dated as of July 28, 2025

Alvarez & Marsal Canada Inc.

Per:



Name: Joshua Nevsky

Title: Senior Vice President

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT QM GP
INC. AND HIGHPOINT ENVIRONMENTAL SERVICES INC.**

Court File No.: CV-25-00748510-00CL

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

CONSENT OF THE PROPOSED MONITOR

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APPENDIX B
DIP FACILITY AGREEMENT

DIP FACILITY TERM SHEET

This term sheet dated July 28, 2025 (this “**Term Sheet**”) sets out the terms on which WeShall Investments Inc. (“**WeShall**” or the “**DIP Lender**”) is prepared to provide debtor-in-possession (“**DIP**”) financing to QM LP (“**QM LP**”).

RECITALS

WHEREAS QM GP Inc. (“**QM GP**”) and Highpoint Environmental Services Inc. as applicants (the “**Applicants**”) as well as QM LP, QMF LP, TWT LP, Quantum Holdings LP each as limited partnerships (collectively, with the Applicants, the “**Companies**”), intend to commence restructuring proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**” and the proceedings thereunder, the “**CCAA Proceedings**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on July 29, 2025;

AND WHEREAS the Companies have requested that WeShall, a related company to the Companies, provide interim DIP financing to fund their restructuring efforts in the CCAA Proceedings;

AND WHEREAS WeShall, as DIP Lender, has offered to provide interim DIP financing by way of the DIP Facility (as defined below) described in this Term Sheet and subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts referenced herein are expressed in Canadian Dollars. All times express herein refer to Eastern Time (Toronto).

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1.	DEFINITIONS	Capitalized terms used but not otherwise defined herein shall have the meanings given to them in Schedule “A” hereto.
2.	BORROWER	QM LP (the “ Borrower ”).
3.	GUARANTORS	QM GP QMF LP TWT LP Quantum Holdings LP Highpoint Environmental Services Inc. (collectively with the Borrower, the “ Credit Parties ” and each, a “ Credit Party ”).
4.	DIP LENDER	WeShall Investments Inc.
5.	CURRENCY	Unless otherwise noted, the currency of the DIP Facility (as defined herein) shall be in Canadian Dollars.
6.	DIP FACILITY	Subject to Court approval, a senior secured, super-priority, debtor-in-possession, interim revolving credit facility in the maximum principal amount of \$14,000,000 (the “ Maximum Amount ”) plus fees and interest, subject to the terms and conditions contained herein (the “ DIP Facility ”).

7.	CLOSING DATE	No later than two (2) Business Days after Court approval of this Term Sheet.
8.	DIP BUDGET	<p>The Borrower shall have delivered a 10-day cash flow for the two week period ending August 8, 2025 in form and substance satisfactory to the DIP Lender in its sole discretion (the “Initial DIP Budget”). The DIP Lender confirms that the Initial DIP Budget appended to the pre-filing report of the Monitor is acceptable.</p> <p>By no later than July 29, 2025, the Borrower, in consultation with the Monitor, shall deliver a rolling 13-week cash flow, in form and substance satisfactory to the Monitor and the DIP Lender in its sole discretion, which shall cover the period beginning August 9, 2025 to the week ending November 7, 2025 (the “DIP Budget”). Such DIP Budget shall be the DIP Budget referenced in this Term Sheet unless and until such time as an Updated DIP Budget (as defined in this Section 8) has been approved by the DIP Lender in accordance with this Section.</p> <p>On a monthly basis, or at the written request of the DIP Lender (including by email), or upon a material change, or a material change reasonably anticipated by the Borrower in consultation with the Monitor, to any item set forth in the DIP Budget, or upon the Applicants seeking an extension of the stay of proceedings in the CCAA Proceedings, the Borrower shall update and propose a revised DIP Budget to the DIP Lender, in form and substance satisfactory to the DIP Lender in its sole discretion (the “Updated DIP Budget”) and if such request is made, the Borrower shall submit the Updated DIP Budget no later than four (4) Business Days following receipt of the request.</p> <p>Any Updated DIP Budget shall have been reviewed and approved by the Monitor, prior to submission to the DIP Lender. If the DIP Lender, in its sole discretion, determines that the Updated DIP Budget is not acceptable, it shall, within two (2) Business Days of receipt thereof, provide written notice (which may be provided by email) to the Borrower and the Monitor stating that the Updated DIP Budget is not acceptable and setting out the reasons why such Updated DIP Budget is not acceptable, and until the Borrower has delivered a revised Updated DIP Budget acceptable to the DIP Lender, in its sole discretion, the prior DIP Budget shall remain in effect and be the DIP Budget for the purpose of this Term Sheet.</p> <p>Upon an Updated DIP Budget being accepted by the DIP Lender in the manner provided for herein, such Updated DIP Budget shall be deemed to be the DIP Budget for the purpose of this Term Sheet.</p> <p>No later than 5:00 p.m. Eastern Time (Toronto) on the Wednesday following a Test Period, the Borrower, in consultation with the Monitor, shall deliver to the DIP Lender a variance calculation setting</p>

		<p>forth actual receipts and disbursements of the Borrower for actual cumulative receipts and actual cumulative disbursements for each line item in the DIP Budget, in each case, comparing the actual receipts and disbursements against the DIP Budget on a line-by-line basis. The Monitor shall provide an accompanying explanation to the DIP Lender should there be a variance on a line-by-line basis between the forecasted and actual amounts for the receipts and disbursements in excess of \$50,000 or cumulatively over \$150,000.</p>
9.	DIP FACILITY ADVANCES	<p>The DIP Facility shall be made available to the Borrower in multiple advances, as per the below, until the Maturity Date (as defined in Section 25) in accordance with the then applicable DIP Budget approved by the DIP Lender in its sole discretion, from time to time, subject to duly issued orders of the Court:</p> <ul style="list-style-type: none"> (a) an initial advance (the “Initial Advance”) in a principal amount up to \$3,300,000, made upon satisfaction of the Initial Advance Conditions set out below; and (b) subsequent advances (each a “Subsequent Advance” together with the Initial Advance, the “DIP Advances”) at the request of the Borrower, subject to satisfaction of the Subsequent Advance Conditions at the time of each such advance; provided, however, that the aggregate sum of the Initial Advance and the Subsequent Advance shall not exceed the Maximum Amount of the DIP Facility. <p>The Borrower, in consultation with the Monitor, may request Subsequent Advances under the DIP Facility by delivering to the DIP Lender a draw request in writing, as approved by the Monitor, not less than three (3) Business Days prior to the Subsequent Advance.</p> <p>Notwithstanding the foregoing, the DIP Lender may issue any advance outside of, or ancillary to, the procedures above at its sole discretion.</p> <p>Nothing in this Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the DIP Lender is satisfied in its sole discretion, acting reasonably, that the Borrower is in compliance with the conditions precedent and obligations listed within this Term Sheet.</p>
10.	JOINT & SEVERAL LIABILITY	<p>Each Credit Party acknowledges and confirms that, at the Borrower’s request, the DIP Facility has been made available to the Borrower, and the Credit Parties are jointly and severally liable to the DIP Lender as primary obligors. All covenants, agreements and Obligations (as defined in Section 25) of the Borrower contained in this Term Sheet relating to or in connection with the DIP Facility shall be on a joint and several basis, and each Credit Party shall be jointly and severally liable for and obligated to repay the DIP Facility. Such joint and several liability is independent of the duties and liabilities of each of the other Credit Parties. Each Credit Party acknowledges and</p>

		<p>confirms that the DIP Lender is not bound to exhaust its recourse against any of the other Credit Parties before being entitled to demand full or partial repayment of the DIP Facility from any one of the Credit Parties. Each Credit Party acknowledges and confirms that it is fully responsible for the DIP Facility even though it may not have requested a DIP Advance.</p> <p>Each Credit Party's liability for repayment of the DIP Facility shall be a primary obligation, shall be absolute and unconditional, and shall constitute full recourse obligations of each Credit Party, enforceable against each of them to the full extent of their respective assets and properties. Each Credit Party expressly waives any right to require the DIP Lender to marshal assets in favour of any of the Credit Parties or any other person or to proceed against any of the other Credit Parties or any Collateral provided by any person or entity and agrees that the DIP Lender may proceed against any one of the Credit Parties or any Collateral in such order as they shall determine in their sole discretion. To the extent permitted by law, any release or discharge, by operation of law, of any one of the Credit Parties from the performance or observance of any obligation, covenant or agreement contained in this Term Sheet shall not diminish or impair the liability of any other Credit Parties in any respect. Each Credit Party unconditionally and irrevocably waives each and every defense, right to discharge, compensation and setoff of any nature which, by statute or under principles of suretyship, guaranty or otherwise, would operate to impair or diminish in any way the obligation of any of the Credit Parties under this Term Sheet, and acknowledges that such waiver is by this reference incorporated into each security agreement, Collateral assignment, pledge and/or other document from each of the Credit Parties now or later granted in respect to this Term Sheet, and no such defense or setoff exists.</p> <p>Each Credit Party waives any and all rights, whether by subrogation, indemnity, reimbursement or otherwise, to recover from any other Credit Parties any amounts paid, or the value of any security given by such Credit Party, pursuant to this Term Sheet or otherwise until the Obligations and indebtedness hereunder are irrevocably paid in full in cash.</p>
11.	PERMITTED PURPOSE AND PAYMENTS	<p>The Initial Advance under the DIP Facility shall be used in accordance with the Initial DIP Budget.</p> <p>Any additional DIP Advances shall be used in accordance with the DIP Budget to fund working capital and general corporate needs of the Borrower during, and costs and expenses incurred by the Borrower in connection with, the CCAA Proceedings. For greater certainty, the Borrower shall use the DIP Advances solely for the following purposes, provided that all such uses shall strictly conform to the approved DIP Budget or the Updated DIP Budget:</p> <p>(a) to pay the reasonable and documented professional and advisory fees and expenses (including legal fees and</p>

		<p>expenses) of (i) the Borrower, (ii) the Monitor, and (iii) the DIP Lender;</p> <p>(b) to pay the Interest (as defined in Section 16), fees and other amounts owing to the DIP Lender under this Term Sheet;</p> <p>(c) to fund the Borrower's working capital needs in accordance with the approved DIP Budget or Updated DIP Budget;</p> <p>(d) to pay amounts for the Borrower's payroll, union dues, advisory fees, and amounts owing for goods and/or services actually supplied to the Borrower; and</p> <p>(e) such other costs and expenses of the Borrower as may be agreed to by the DIP Lender, in writing.</p> <p>No proceeds of a DIP Advance may be used for any purpose other than in accordance with the DIP Budget, except with the prior written consent of the DIP Lender and the Monitor.</p>
12.	INITIAL ADVANCE CONDITIONS	<p>The DIP Lender's agreement to make the DIP Facility and the Initial Advance available to the Borrower is subject to the satisfaction of the following conditions precedent (collectively, the "Initial Advance Conditions"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:</p> <p>(a) the Borrower shall have executed and delivered this Term Sheet, which shall be in full force and effect;</p> <p>(b) the Borrower shall have provided the DIP Lender the Initial DIP Budget in form and substance satisfactory to the DIP Lender, in its sole discretion;</p> <p>(c) the Court shall have issued the Initial Order, which shall be in form and substance satisfactory to the DIP Lender and the Monitor. The Initial Order shall, without limitation, (i) approve this Term Sheet, (ii) authorize the DIP Facility and the borrowing of the Initial Advance, and (iii) approve the DIP Lender's Charge (as defined in Section 14);</p> <p>(d) there shall be no Liens ranking <i>pari passu</i> with or in priority to the DIP Lender's Charge over the Collateral other than the Permitted Priority Liens;</p> <p>(e) Alvarez & Marsal Canada Inc. will have been appointed as Monitor pursuant to the Initial Order;</p> <p>(f) no Default or Event of Default (as defined in Section 22) shall have occurred or will occur as a result of the requested Initial Advance;</p> <p>(g) there will be no appeals, motions for leave to appeal or injunctions relating to the DIP Facility, the DIP Lender's</p>

		<p>Charge, or pending litigation seeking to restrain, effect the validity of, or prohibit any of the foregoing; and</p> <p>(h) the Initial Order shall not have been appealed, stayed, vacated or otherwise amended, restated or modified without the consent of the DIP Lender, in its sole discretion.</p> <p>The Initial Advance, in such amount as specified in the Initial Order, will be made available to the Borrower by the DIP Lender to finance the Borrower's working capital, operating requirements and restructuring expenses in accordance with the Initial DIP Budget and the terms of this Term Sheet.</p>
13.	SUBSEQUENT ADVANCE CONDITIONS	<p>The advance of any Subsequent Advance by the DIP Lender to the Borrower is subject to the satisfaction of the following conditions precedent (collectively, the "Subsequent Advance Conditions"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:</p> <p>(a) the Court shall have issued the Amended and Restated Initial Order, which shall be in form and substance satisfactory to the DIP Lender and the Monitor and which shall be in full force and effect and shall not be stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the DIP Lender, unless otherwise agreed by the DIP Lender;</p> <p>(b) continuance and expansion of the Court approved DIP Lender's Charge in accordance with Section 14;</p> <p>(c) on or before the issuance of the Amended and Restated Order, Intact Insurance Company ("Intact") shall have returned to Kingsdale Partners Limited Partnership ("Kingsdale") for cancellation, the uncalled Letter of Credit issued to it by Kingsdale on behalf of the Companies dated June 27, 2024 and no Person that has issued bonds in respect of the Company or its projects shall have further recourse to Kingsdale, the DIP Lender or 2539593 Ontario Inc., or such other satisfactory arrangements shall have been agreed to as between such bonding companies and the DIP Lender, satisfactory to the DIP Lender in its sole discretion;</p> <p>(d) the representations and warranties of the Credit Parties contained herein shall be true and correct;</p> <p>(e) all Initial Advance Conditions shall continue to be satisfied (except that the Initial Order shall have been amended and restated by the Amended and Restated Initial Order);</p> <p>(f) an acceptable binding bid to the Monitor and the DIP Lender under the SISP shall have been received on or before September 29, 2025, or such later date as may be agreed to</p>

		<p>by the DIP Lender in its sole discretion; and</p> <p>(g) no Default or Event of Default (as defined in Section 22) shall have occurred and be continuing or will occur as a result of the requested Subsequent Advance.</p>
14.	DIP LENDER'S CHARGE	<p>All Obligations, liabilities and indebtedness of the Borrower under or in connection with the DIP Facility and any of the DIP Credit Documentation shall be secured by a Court-ordered priority charge on the Property (the "DIP Lender's Charge") without the need for any further loan or security documentation or any filings or registrations in any public register or system.</p> <p>The DIP Lender's Charge shall have priority over all Liens in respect of the Property other than the Permitted Priority Liens.</p> <p>The DIP Lender's Charge shall secure any amounts outstanding under the DIP Facility, including, without limitation, any accrued Interest, all fees and expenses (including Legal Fees), the Commitment Fee (as defined in Section 15), and any other amounts payable by the Borrower under this Agreement or in connection with the DIP Facility.</p>
15.	COSTS, FEES AND EXPENSES	<p>The Borrower will pay the DIP Lender a commitment fee equal to 1.5% of:</p> <p>(a) the Initial Advance, which shall be fully earned upon Court approval of this Term Sheet and the Initial Advance (the "Initial Commitment Fee"); and</p> <p>(b) the Maximum Amount less the amount of the Initial Advance (the "Remaining Commitment Fee" together with the Initial Commitment Fee, the "Commitment Fee"), which shall be fully earned upon Court approval of the maximum principal amount of the DIP Facility.</p> <p>The Commitment Fee shall be debited from the maximum principal amount of the DIP Facility on the Maturity Date. For certainty, the Commitment Fee shall be secured by the DIP Lender's Charge.</p> <p>In addition, the Borrower shall pay, on a bi-weekly basis, all reasonable and documented costs and expenses of the DIP Lender, including the Legal Fees.</p>
16.	INTEREST RATE	<p>The Borrower shall pay interest ("Interest") on the outstanding principal amount owing under the DIP Facility from the date that each DIP Advance is made both before and after maturity, demand, default, or judgment until payment in full at a rate equal to 14% per annum, compounded and calculated monthly, which Interest shall accrue and be added to the principal amount of the DIP Advances on the first day of each month. Following an Event of Default, interest shall accrue at a rate equal to 16% per annum.</p>

		<p>All Interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.</p> <p>All payments under or in respect of the DIP Facility shall be made free and clear of any withholding, set-off or other deductions.</p> <p>If any provision of this Term Sheet or the DIP Credit Documentation would require the Borrower to pay Interest or other amounts to the DIP Lender at a rate or in an amount that is prohibited by law or constitutes a criminal rate of interest under the <i>Criminal Code</i> (Canada), then, notwithstanding that provision, such rate or amount, as applicable, shall be deemed to have been adjusted, with retroactive effect, to the highest rate or amount permitted by law.</p>
17.	EVIDENCE OF INDEBTEDNESS	<p>The DIP Lender shall maintain records evidencing the DIP Advances. The DIP Lender's accounts and records constitute, in the absence of manifest error, <i>prima facie</i> evidence of the indebtedness of the Credit Parties to the DIP Lender pursuant to this Term Sheet.</p>
18.	REPRESENTATIONS AND WARRANTIES	<p>The Credit Parties represent and warrant to the DIP Lender, upon which the DIP Lender relies in entering into this Term Sheet and the other DIP Credit Documentation, that:</p> <ul style="list-style-type: none"> (a) the Credit Parties, to the extent applicable, are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, have all requisite power to carry on business as now and formerly conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to constitute a material adverse effect, are qualified to do business in, and are in good standing in, every jurisdiction where such qualification is required; (b) the transactions contemplated by this Term Sheet and the other DIP Credit Documentation: <ul style="list-style-type: none"> (i) upon the granting of either the Initial Order or the Amended and Restated Initial Order, as applicable, are within the powers of the Credit Parties; (ii) have been duly authorized, executed and delivered by or on behalf of the Credit Parties; and (iii) upon the granting of the Initial Order or the Amended and Restated Initial Order, as applicable, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority; (c) the Borrower has obtained all material licenses and permits required for the operation of their business, which licenses and permits remain, and after the date of the Initial Advance will remain, in full force and effect. No proceedings have

		<p>been commenced to revoke or amend any of such licenses or permits and no notices advising of a breach or potential breach of the conditions of such licenses has been received;</p> <p>(d) except as reflected in the DIP Budget and than those amounts the Borrower has made known to the DIP Lender to date, the Borrower has paid when due its obligations for payroll, employee source deductions, sales taxes, value added taxes and are not in arrears in respect of these obligations;</p> <p>(e) subject to granting of the Initial Order or the Amended and Restated Initial Order, as applicable, the execution, delivery and performance, as applicable, of this Term Sheet has been duly authorized by all actions, if any, required on the part and by the Credit Parties' directors and constitutes a legal, valid and binding obligation of the Credit Parties enforceable against them in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application that limit the enforcement of creditors' rights generally and to general equitable principals subject to approval of the Court;</p> <p>(f) no Default or Event of Default has occurred and is continuing;</p> <p>(g) the DIP Budget represents the Borrower's best estimate as at each applicable date of the likely results of the operations of the Borrower during the period applicable thereto and, to the Borrower's knowledge, such results are achievable as provided therein; and</p> <p>(h) all factual information provided by or on behalf of the Credit Parties to the DIP Lender for the purposes of or in connection with this Agreement and the DIP Credit Documentation is, to the best of the Credit Parties' knowledge, true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. In particular, without limiting the generality of the foregoing, to the best of the Credit Parties' knowledge, all information regarding the Credit Parties' corporate structure and financial reporting is true and complete in all material respects as of the date thereof.</p>
19.	AFFIRMATIVE COVENANTS	<p>The Borrower agrees to do, or cause to be done, the following until the DIP Facility is permanently and indefeasibly repaid in full:</p> <p>(a) comply with the DIP Budget, including making payments when scheduled to be made in accordance with the DIP Budget, and the reporting and other obligations to deliver financial information to the DIP Lender hereunder provided</p>

		<p>that, such reporting and financial information shall be prepared and delivered with the assistance of the Monitor and be subject to the approval of the DIP Lender in its sole discretion;</p> <p>(b) use the proceeds of the DIP Facility only for the permitted purposes set out in Section 11 and in accordance with the DIP Budget;</p> <p>(c) not post any security, letters of credit or cash collateral to vacate any Liens or any other form of security held against the Borrower unless the DIP Lender has provided written consent;</p> <p>(d) comply with the provisions of the Court orders made in the CCAA Proceedings;</p> <p>(e) cooperate in all respects with the Monitor, including providing financial and other information, assisting with the preparation of a teaser and confidential information memorandum, generating a list of potential interested parties, and participating in meetings with interested parties in connection with a SISP;</p> <p>(f) any SISP, the timelines set out therein and the Court materials in respect thereof, shall be in form and substance satisfactory to the DIP Lender, in its sole discretion, and the Monitor and the SISP shall be approved by the Court no later than the date of issuance of the Amended and Restated Initial Order or such later date as may be satisfactory to the DIP Lender in its sole discretion;</p> <p>(g) share drafts of any Court materials prepared for motions by the Applicants in the CCAA Proceedings with the DIP Lender at least two (2) Business Days prior to service and filing such materials with the Court;</p> <p>(h) all orders sought by the Credit Parties or granted in the CCAA Proceedings shall be in form and substance satisfactory to the DIP Lender;</p> <p>(i) the Companies with the consent of the DIP Lender and in consultation with the Monitor, shall disclaim in accordance with the CCAA any construction project contract where such construction project contract is not financially viable to complete;</p> <p>(j) deliver to the DIP Lender periodic reporting packages and other information reasonably requested by the DIP Lender, within a reasonable time period after such requests are made;</p> <p>(k) maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear and casualty and expropriation excepted) all material property used or useful in</p>
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		<p>the Borrower's business;</p> <ul style="list-style-type: none"> (l) maintain all licenses and permits required for the operation of their business in good standing; (m) forthwith notify the Monitor and DIP Lender of any event or circumstance known to the Borrower that, with the passage of time, may constitute an Event of Default; (n) forthwith notify the Monitor and DIP Lender of the occurrence of any Event of Default, or of any event or circumstance that may constitute a material adverse change from the DIP Budget, upon becoming aware of same; (o) comply in all respects with all Applicable Laws; (p) comply in all material respects with their obligations under the DIP Credit Documentation; (q) execute and deliver DIP Credit Documentation as may be reasonably requested by the DIP Lender from time to time; (r) at all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the business of the Credit Parties with financially sound and reputable insurers in coverage and scope acceptable to the DIP Lender, acting reasonably, and, if requested by the DIP Lender, cause the DIP Lender to be listed as the loss payee or additional insured (as applicable) on such insurance policies; (s) act diligently and in good faith in the pursuit of the CCAA Proceedings; (t) take all actions necessary or available to defend the Court orders that affect the DIP Lender from any motion, application, appeal, reversal, modifications, amendment, stay or vacating, unless expressly agreed to in writing in advance by the DIP Lender, in its sole discretion; and (u) the Credit Parties shall promptly notify the DIP Lender and the Monitor of any development or event that has had or could reasonably be expected to have a material adverse effect on the Credit Parties or their businesses or affairs upon becoming aware of same.
20.	NEGATIVE COVENANTS	<p>The Credit Parties covenant and agree not to do the following, other than with the prior written consent of the DIP Lender in the DIP Lender's sole discretion:</p> <ul style="list-style-type: none"> (a) sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business;

		<p>(b) make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as contemplated by the DIP Budget, or declare or pay any dividends;</p> <p>(c) at the end of each Test Period: (i) the sum of the actual cumulative Operating Disbursements shall not exceed 110% of the sum of the cumulative Operating Disbursements set forth in the then approved DIP Budget; and (ii) the sum of the actual cumulative cash receipts shall not be less than 90% of the of the sum of cumulative cash receipts set forth in the then approved DIP Budget.</p> <p>(d) create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt and post-filing obligations incurred in the ordinary course of business;</p> <p>(e) terminate or amend in any material manner, any existing material contractual obligation without the approval of the DIP Lender;</p> <p>(f) undertake, contract or bid on new construction work without the approval of the DIP Lender;</p> <p>(g) create or permit to exist any Liens on any of the Property other than Permitted Liens;</p> <p>(h) enter into or agree to enter into any investments (other than cash equivalents) or acquisitions of any kind, direct or indirect, in any business;</p> <p>(i) assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;</p> <p>(j) enter into any agreement or letter of intent for, or attempt to consummate or support any third party's attempt to consummate, any transaction or agreement, including making any public announcement in respect thereof outside the ordinary course of business, except as contemplated by the SISP;</p> <p>(k) enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all or any significant portion of the undertaking, property or assets of any of the Credit Parties would become the property of any other Person or Persons, except as contemplated by the SISP;</p> <p>(l) other than the Administration Charge, seek or support a motion by another party to provide to a third party a charge upon any Property that primes the DIP Lender's Charge</p>
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		<p>without the prior consent of the DIP Lender;</p> <p>(m) amend or seek to amend the Initial Order (except for the Amended and Restated Initial Order), the Amended and Restated Initial Order or, without the consent of the DIP Lender, if applicable, any SISP;</p> <p>(n) seek, or consent to the appointment of an interim receiver, receiver, receiver manager, licensed insolvency trustee or any similar official in any jurisdiction; and</p> <p>(o) terminate or repudiate any agreement with the DIP Lender.</p>
21.	INDEMNITY	<p>The Credit Parties agree to indemnify and hold harmless the DIP Lender, its officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the “Indemnified Persons”) from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, this Term Sheet, or the DIP Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or wilful misconduct of such Indemnified Persons.</p>
22.	EVENTS OF DEFAULT	<p>The occurrence of any one or more of the following events shall constitute an event of default (“Event of Default”) under this Term Sheet:</p> <p>(a) failure of the Borrower to pay principal or Interest when due under this Term Sheet;</p> <p>(b) any representation, warranty, certificate or other statement of fact made or deemed by or on behalf of any of the Credit Parties herein or in any other DIP Credit Documentation or any amendment or modification hereof or thereof or waiver hereunder or thereunder proves to be false or misleading in any material respect on or as the date made or deemed made;</p> <p>(c) any other breach by any of the Credit Parties in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Term Sheet;</p> <p>(d) any breach by any of the Credit Parties in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in the DIP Credit Documentation, or any event of default occurring under such documents;</p> <p>(e) any breach of any Order that remains unremedied for longer than two (2) Business Days following the receipt of notice</p>

		<p>thereof or refusal by the Credit Parties to take any actions or steps requested by the Monitor in accordance with the rights and powers granted to it under the Initial Order and the Amended and Restated Initial Order;</p> <p>(f) the Initial Order is not issued by the Court on or before July 29, 2025, in form and substance satisfactory to the DIP Lender in its sole discretion</p> <p>(g) the Amended and Restated Initial Order is not issued by the Court by on August 8, 2025, in form and substance satisfactory to the DIP Lender in its sole discretion;</p> <p>(h) an order approving the SISP is not issued by the Court on or before the date of issuance of the Amended and Restated Initial Order or such later date as may be satisfactory to the DIP Lender in its sole discretion, in form and substance satisfactory to the DIP Lender in its sole discretion;</p> <p>(i) if any SISP milestones are moved in a manner not satisfactory to the DIP Lender, in its sole discretion, or if any SISP milestone is breached by more than two (2) Business Days;</p> <p>(j) the granting of any Court order reversing, amending, varying, supplementing, staying, vacating or otherwise modifying any order of the Court in any respect in a manner materially affecting the DIP Lender without the prior written consent of the DIP Lender;</p> <p>(k) either the Initial Order or the Amended and Restated Initial Order cease to be in full force and effect in a manner that has a material adverse effect on the interests of the DIP Lender;</p> <p>(l) failure of any Credit Party to comply with a Court order granted in the CCAA Proceedings in any material respect;</p> <p>(m) the DIP Lender's Charge is rendered invalid and unenforceable against the Credit Parties;</p> <p>(n) a Court order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise or bonding (including failure or delay to pay under the bonds or any threatened termination or revocation of any issued bond), of any of the Credit Parties, that will in the DIP Lender's reasonable judgment, materially further impair the Credit Parties' financial condition, operations or ability to comply with their obligations under this Agreement, any DIP Credit Documentation or any Court order or carry out a Plan or a transaction acceptable to the DIP Lender (a "Material Adverse Change");</p> <p>(o) An Updated DIP Budget or DIP Budget, as applicable, contemplates or forecasts an adverse change or changes from</p>
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		<p>the then existing DIP Budgets and such change(s) constitute a Material Adverse Change ;</p> <p>(p) this Term Sheet, any other DIP Credit Documentation or the DIP Lender's Charge shall cease to be effective or shall be contested by any of the Credit Parties or any other party;</p> <p>(q) issuance of any Court order that adversely affects the interest of the DIP Lender, in the DIP Lender's sole discretion;</p> <p>(r) the CCAA Proceedings are terminated or converted into a proceeding under the <i>Bankruptcy and Insolvency Act</i> (Canada);</p> <p>(s) unless consented to in writing by the DIP Lender, in its sole discretion, the expiry without further extension of the stay of proceedings in the CCAA Proceedings;</p> <p>(t) the making by the Credit Parties of a payment of any kind that is not permitted by this Term Sheet or and is not in accordance with the DIP Budget unless consented to in writing by the DIP Lender in its sole discretion;</p> <p>(u) any Plan is filed or sanctioned by the Court, or any transaction is sought to be approved, including pursuant to the SISP, in form and in substance that is not acceptable to the DIP Lender, in its sole discretion, including if a Plan or transaction does not provide for the repayment, in cash in its entirety of the Obligations under the DIP Facility in full by the Maturity Date, including Interest thereon and the costs and expenses in connection therewith to the date of implementation or closing of such Plan or transaction, unless consented to in writing by the DIP Lender;</p> <p>(v) the denial or repudiation by the Credit Parties of the legality, validity, binding nature or enforceability of this Term Sheet or the DIP Lender's Charge; and</p> <p>(w) in contravention of the Initial Order or the Amended and Restated Initial Order, any creditor, encumbrancer or other Person seizes or levies upon any Collateral or exercises any right of distress, execution, foreclosure or similar enforcement process against any Collateral.</p>
23.	REMEDIES	<p>Upon the occurrence and continuance of an Event of Default, subject to the DIP Credit Documentation, the DIP Lender may, upon written notice to the Borrower, with a copy to the Monitor:</p> <p>(a) terminate the DIP Facility and refuse to permit any further DIP Advances;</p> <p>(b) on prior written notice to the Borrower and the service list of no less than four (4) Business Days, apply to the Court for the</p>

		<p>appointment of an interim receiver or a receiver and manager of the Property or for the appointment of a trustee in bankruptcy of the Borrower;</p> <p>(c) exercise the powers and rights of a secured party provided under the <i>Personal Property Security Act</i> (Ontario), and any similar legislation in any applicable jurisdiction, including Provincial Lien Legislation; and</p> <p>(d) exercise all such other rights and remedies under the DIP Credit Documentation and orders of the Court in the CCAA Proceedings or under Applicable Law.</p>
24.	DIP LENDER APPROVALS	<p>All consents of the DIP Lender hereunder shall be in its sole and absolute discretion and shall be in writing. Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by a written instrument, including by way of electronic mail.</p>
25.	MATURITY DATE	<p>Subject to the termination of this Term Sheet by reason of an Event of Default, the Maturity Date of the DIP Facility shall be the earliest of:</p> <p>(a) November 14, 2025 (or such later date as the DIP Lender in its discretion may agree to in writing with the Borrower);</p> <p>(b) the closing of a Court approved transaction for substantially all of the assets or shares/ units in one or more of the Credit Parties;</p> <p>(c) the implementation of a Court approved Plan in the CCAA Proceedings;</p> <p>(d) the refinancing of the DIP Facility;</p> <p>(e) the date on which the CCAA Proceedings are terminated or converted into a proceeding under the <i>Bankruptcy and Insolvency Act</i> (Canada), or the stay of proceedings expires without extension;</p> <p>(f) the payment in full of the Obligations owing to the DIP Lender; and</p> <p>(g) the DIP Lender giving notice to the Borrower of the occurrence of an Event of Default.</p> <p>The DIP Lender's commitment in respect of the DIP Facility shall expire on the Maturity Date and all amounts outstanding under the DIP Facility including accrued Interest and Legal Fees (collectively, the "Obligations") shall be repaid in full on the Maturity Date without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and the indebtedness under this Term Sheet is due and payable.</p>

		The Maturity Date may be extended from time to time at the request of the Borrower, and with the prior written consent of the DIP Lender and the Monitor, for such period and on such terms and conditions as the DIP Lender may agree to in writing.
26.	FURTHER ASSURANCES	The Credit Parties shall at their expense, from time to time execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Lender may reasonably request for the purpose of giving effect to this Term Sheet and the other DIP Credit Documentation, perfecting, protecting and maintaining the Liens created by the DIP Lender's Charge or establishing compliance with the representations, warranties and conditions of this Term Sheet or any other DIP Credit Documentation.
27.	NON-MERGER	The provisions of this Term Sheet shall not merge on any DIP Advance made hereunder but shall continue in full force and effect for the benefit of the parties hereto.
28.	ENTIRE AGREEMENT	This Term Sheet, including the Schedules hereto and the DIP Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other DIP Credit Documentation, this Term Sheet shall govern and supersede (except as relates to the terms of the Initial Order and the Amended and Restated Initial Order). Neither this Term Sheet nor any other DIP Credit Documentation, nor any terms hereof or thereof, may be amended, unless such amendment is in writing signed by the Borrower and the DIP Lender.
29.	AMENDMENTS, WAIVERS, ETC.	No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Documentation will operate as a waiver hereof or thereof unless made in writing and signed by an authorized officer of the DIP Lender. Any consent to be provided by the DIP Lender shall be granted or withheld solely in its capacity, and having regard to its interests, as DIP Lender.
30.	ASSIGNMENT	<p>The DIP Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, subject in all cases to the assignee providing written notice to the Credit Parties to confirm such assignment and the Monitor being satisfied with the assignee's ability to perform the DIP Lender's obligations hereunder. Neither this Term Sheet nor any right or obligation hereunder may be assigned by any of the Credit Parties without the written consent of the DIP Lender.</p> <p>Each of the Credit Parties hereby consents to the disclosure of any confidential information in respect of the Credit Parties to any potential assignee provided such potential assignee agrees in writing to keep such information confidential. A copy of all notices delivered pursuant to this Section shall be delivered promptly to the Monitor.</p>

31.	SEVERABILITY	Any provision in any DIP Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and thereof or affecting the validity or enforceability of such provision in any other jurisdiction.
32.	COUNTERPARTS AND FACSIMILE SIGNATURES	This Agreement may be executed in any number of counterparts and by facsimile or email, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Term Sheet by signing any counterpart of it.
33.	NOTICES	<p>Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:</p> <p>In the case of the DIP Lender:</p> <p>WeShall Investments Inc. 120 Front St. W., 2nd Floor Toronto, ON M5A 4L9</p> <p>Attention: Chief Legal Officer and Chief Financial Officer Email: legal@weshall.ca; ray@weshall.ca</p> <p>With a copy to DIP Lender's Counsel:</p> <p>Norton Rose Fulbright Canada LLP 222 Bay St., Suite 3000, PO Box 53 Toronto, ON M5K 1E7</p> <p>Attention: Evan Cobb Email: Evan.cobb@nortonrosefulbright.com</p> <p>In the case of the Credit Parties:</p> <p>QM Environmental Group of Companies 80 Richmond Street West, Suite 1700 Toronto, ON M5H 2A4</p> <p>Attention: Michelle Ajibola Email: Michelle.Ajibola@QMenv.com</p> <p>With a copy to:</p> <p>Reconstruct LLP 80 Richmond Street West, Suite 1700 Toronto, ON M5H 2A3</p>

		<p>Attention: Caitlin Fell, Sharon Kour and Natasha Rambaran Email: cfell@reconllp.com, skour@reconllp.com; nrambaran@reconllp.com</p> <p>In either case, with a copy to the Monitor:</p> <p>Alvarez & Marsal Canada Inc. Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 Toronto, ON M5J 2J1</p> <p>Attention: Josh Nevsky Email: jnevsky@alvarezandmarsal.com</p> <p>With a copy to the Monitor's counsel:</p> <p>Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S</p> <p>Attention: Chris Armstrong Email: carmstrong@goodmans.ca</p>
34.	GOVERNING LAW AND JURISDICTION	<p>This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Credit Parties irrevocably submits to the non-exclusive courts of the Province of Ontario, waives any objections on the ground of venue or forum <i>non conveniens</i> or any similar grounds, and consents to service of process by email, regular mail or in any other manner permitted by relevant law.</p>

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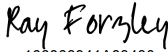
IN WITNESS HEREOF, the parties hereby execute this Term Sheet as of the date first written above.

DIP LENDER:

WESHALL INVESTMENTS INC.

Per:

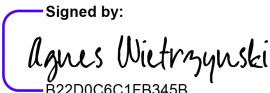
Signed by:



166866941A83430

Name: Ray Forzley
Title: Chief Financial Officer

BORROWER:

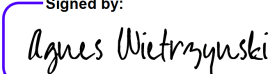
QM LP BY ITS GENERAL PARTNER QM GP INC.


Signed by:

Per: B22D0C6C1EB345B
Name: Agnes Wietrzynski
Title: Chief Executive Officer

Signed by:

Per: F8D9BD47656C416...
Name: Name 2
Title: Title 2
We have authority to bind the corporation

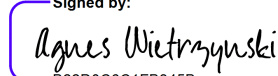
GUARANTORS:


QMF LP BY ITS GENERAL PARTNER QM GP INC.

Signed by:

Per: B22D0C6C1FB346B...
Name: Agnes Wietrzynski
Title: Chief Executive Officer

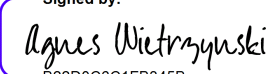
Signed by:

Per: F8D9BD47656C416...
Name: Robert Alidina
Title: Vice President, Finance
We have authority to bind the corporation


TWT LP BY ITS GENERAL PARTNER QM GP INC.

Signed by:

Per: B22D0C6C1FB345B...
Name: Agnes Wietrzynski
Title: Chief Executive Officer

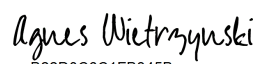
Signed by:

Per: F8D9BD47656C416...
Name: Robert Alidina
Title: Vice President, Finance
We have authority to bind the corporation


QUANTUM HOLDINGS LP BY ITS GENERAL PARTNER QM GP INC.

Signed by:

Per: B22D0C6C1FB345B...
Name: Agnes Wietrzynski
Title: Chief Executive Officer

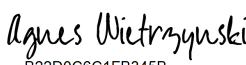
Signed by:

Per: F8D9BD47656C416...
Name: Robert Alidina
Title: Vice President, Finance
We have authority to bind the corporation


QM GP INC.

Signed by:

Per: B22D0C6C1FB345B...
Name: Agnes Wietrzynski
Title: Chief Executive Officer

Signed by:

Per: F8D9BD47656C416...
Name: Robert Alidina
Title: Vice President, Finance
We have authority to bind the corporation

**HIGHPOINT ENVIRONMENTAL SERVICES INC.
BY ITS GENERAL PARTNER QM GP INC.**

Signed by:

Per: B22D0C6C1FB345B...
Name: Agnes Wietrzynski
Title: Chief Executive Officer

Signed by:

Per: F8D9BD47656C416...
Name: Robert Alidina
Title: Vice President, Finance
I/We have authority to bind the corporation

SCHEDULE "A"

ADDITIONAL DEFINITIONS

"Administration Charge" means a super-priority Court-Ordered Charge against the assets of the Companies securing the fees and expenses owing to the Companies' legal counsel, the Monitor, and Monitor's legal counsel in an amount not to exceed \$400,000 under the Initial Order, which amount is not to exceed \$1,250,000 under the Amended and Restated Initial Order.

"Amended and Restated Initial Order" means the amended and restated Initial Order granted by the Court at the comeback motion;

"Applicable Laws" means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of any or all of the Credit Parties, the operation of their businesses or their Property, as the case may be.

"Business Day" means a day other than a Saturday, a Sunday or any other day on which banks in Toronto, Ontario are not open for business.

"Collateral" means all present and future assets, undertakings and properties, of any kind, of the Companies, real and personal, tangible or intangible, including all proceeds thereof, wherever situated.

"Court-Ordered Charges" means the charges granted in the Initial Order and the Amended and Restated Initial Order, including the Administration Charge, the Director's Charge, DIP Lender's Charge and the Lien Charge.

"Default" means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

"DIP Credit Documentation" means this Term Sheet, the orders of the Court approving it and any other definitive or ancillary documentation in respect of the DIP Facility that are in form and substance satisfactory to the DIP Lender, in its sole discretion.

"Director's Charge" means a super-priority Court-Ordered Charge against the assets of the Applicants securing the indemnity granted by the Applicants to their directors and officers, in an amount not to exceed \$3,600,000 under the Initial Order and/or the Amended and Restated Initial Order.

"Governmental Authorities" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and **"Governmental Authority"** means any one of them.

"Initial Order" means the initial order granted by the Court in the CCAA Proceedings.

"Legal Fees" means all reasonable and documented legal fees and disbursements that the DIP Lender payable to its legal counsel in connection with any and all tasks related to this Term Sheet, the CCAA

Proceedings, the orders of the Court, the DIP Facility or the DIP Credit Documentation and the enforcement of any of the rights and remedies available hereunder or under any security agreement granted by any of the Credit Parties in favour of the DIP Lender.

“Lien Charge” means a super-priority Court-ordered charge granted by the Lien Regularization Order, with the priority provided for in the Initial Order and the Amended and Restated Initial Order.

“Lien Regularization Order” means a lien regularization order granted by the Court.

“Liens” means all mortgages, pledges, charges, encumbrances, hypothecs, liens (including those arising under Provincial Lien Legislation or otherwise), trusts (including those arising under Provincial Lien Legislation or otherwise), security interests, and statutory preferences of every nature and kind whatsoever.

“Monitor” means Alvarez & Marsal Canada Inc. in its capacity as Court-appointed monitor in the CCAA Proceedings.

“Operating Disbursements” means all cash disbursements with the exception of any amounts subject to the Administration Charge.

“Permitted Priority Liens” means the Administration Charge.

“Permitted Liens” means the Court-Ordered Charges and Liens existing prior to the issuance of the Initial Order that are stayed by the Initial Order and subordinated to the Court-Ordered Charges.

“Person” means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or Governmental Authority.

“Plan” means the implementation of a proposal, plan of compromise or arrangement within the CCAA Proceedings which has been approved by the requisite majorities of the Borrowers’ creditors and by order entered by the Court and by the DIP Lender.

“Property” means the Companies’ present and after-acquired assets, properties and undertaking of every nature and kind whatsoever, wherever situate including all proceeds thereof.

“Provincial Lien Legislation” has the meaning defined in the Lien Regularization Order.

“SISP” means any sale and investment solicitation process in respect of the Companies and/or the Property that may be sought in these CCAA Proceedings.

“Test Period” means, every two-week period on a cumulative and rolling basis commencing at the end of Week 2 in the DIP Budget. For greater certainty, the cash flow testing shall be on a cumulative basis such that the second test will be at the end of Week 4, which test will be for the prior cumulative four-week period, and so on thereafter.

APPENDIX C
SUMMARY OF COMPARABLE DIP FACILITIES

Overview of DIP Facilities

Debtor	DIP Lender	Filing Date	Industry	Jurisdiction	DIP Loan (C\$) ¹	Fees as a % of Loan ²	Interest Rate ³
STS Renewables Ltd. et al.	BNS	May-25	Professional Services	ON	2,900,000	3.5%	10.0%
Li-Cycle Holdings Corp. et al.	Glencore International AG	May-25	Cleantech	ON	14,595,000	0.0%	11.3%
Shaw-Almex Industries Limited and	RBC	May-25	Technology	ON	1,000,000	2.0%	12.0%
Enerkem Inc.	Repsol Quimica S.A.	May-25	Cleantech	QC	12,500,000	0.0%	15.0%
Asbestos Corporation Limited	Certain Underwriters At Lloyd'S et al.	May-25	Mining	QC	27,800,000	0.0%	6.0%
Earth Boring Co. Limited, Yarbridge	BMO	Apr-25	Construction	ON	5,500,000	1.8%	9.5%
Synaptive Medical Inc.	Export Development Canada	Mar-25	Technology	ON	7,000,000	5.0%	15.0%
Pelican International Inc. et al.	NBC, BMO, Desjardins, TD Bank	Mar-25	Manufacturing	QC	6,800,000	1.2%	12.0%
Joriki Inc.	BNS and TD Bank	Jan-25	Food Manufacturing	ON	1,200,000	2.5%	12.5%
Comark Holdings Inc.	CIBC	Jan-25	Retail	ON	18,000,000	1.5%	10.0%
KMC Mining	ATB Financial	Jan-25	Mining	AB	6,000,000	5.7%	10.5%
The Lion Electric Company	NBC, BMO, Desjardins	Dec-24	Manufacturing	QC	10,000,000	2.4%	12.5%
Earth Alive Clean Technologies Inc.	Nikolaus Sofronis	Oct-24	Cleantech	QC	1,720,000	0.0%	18.0%
Delta 9 Cannabis Inc. et al.	FIKA Herbal Goods	Jul-24	Cannabis	SK	16,000,000	0.0%	10.0%
Taiga Motors Corporation et al.	EDC	Jul-24	Manufacturing	QC	4,400,000	2.4%	14.0%
Humble & Fume Inc.	1000760498 Ontario Inc.	Jan-24	Cannabis	ON	3,475,000	0.0%	12.0%
Myra Falls Mine Ltd.	Trafigura US Inc.	Dec-23	Mining	BC	21,000,000	1.0%	11.0%
DCL Corporation	Wells Fargo	Dec-22	Manufacturing	QC	55,000,000	0.0%	7.9%
Athabasca Minerals Inc.	JMAC Energy Services LLC	Nov-23	Mining	AB	2,850,000	0.0%	18.0%
Datatax Business Services Limited	2872802 Ontario Inc.	Aug-23	Professional Services	AB	2,500,000	0.0%	12.0%
Quality Sterling Group	Ironbridge Equity Partners	Aug-23	Other	ON	7,000,000	0.0%	12.0%
Fire & Flower Inc. et al.	2707031 Ontario Inc.	Jun-23	Cannabis	ON	9,800,000	4.1%	12.0%
Gesco Industries Inc., Gesco GP ULC and Tierra Sol Ceramic Tile Ltd.	BNS	May-23	Manufacturing	ON	8,600,000	0.6%	12.7%
Forex Inc. et al.	Les Placements Al-Vi Inc.	Feb-23	Manufacturing	QC	10,630,000	0.0%	10.0%
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	Dec-21	Mining	QC	2,000,000	0.0%	12.0%
Urthecast Corp. ⁴	HCP-FVL, LLC	Sep-20	Technology	BC	6,950,000	11.0%	18.0%
Max					55,000,000	11.0%	18.0%
Average					10,200,000	1.7%	12.1%
Min					1,000,000	0.0%	6.0%

Source: Insolvency Insider and Government of Canada Public CCAA Records

1. US dollar denominated loans are translated at 1.39 USD/CAD. Certain DIP Loans are presented as the maximum draw reported in the latest court materials.

2. Excludes amounts for "reasonable fees and expenses of the DIP Lender" if these are not specifically defined.

3. Interest rates that are determined by a benchmark rate (i.e. prime rate, SOFR) were calculated as of the respective filing date.

4. The figures listed herein represent the maximum terms of the second DIP loan provided to the Debtor.

APPENDIX D
CASH FLOW FORECAST FOR THE
TWO-WEEK PERIOD ENDING AUGUST 9, 2025

Note to Reader: In preparing this cash flow forecast (the "**Forecast**"), the Applicants have relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast reflects assumptions including those discussed below with respect to the requirements and impact of a filing in Canada under the Companies' Creditors Arrangement Act (the "CCAA"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved will vary from the Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Forecast encompasses the Receipts and Disbursements of the Applicant and Non-Applicant Related Parties only.

QM Environmental Cash Flow Forecast (CAD \$000's)	Week 1 1-Aug	Week 2 8-Aug	Initial Period Total
Total Receipts	559	678	1,237
Disbursements			
Vendors & Subcontractors	650	650	1,300
Payroll, Benefits, Union	1,263	740	2,003
Rents & Leases	542	72	614
Other Disbursements	140	45	185
Professional Fees	-	285	285
Total Disbursements	2,595	1,791	4,387
Net Cash Flow	(2,037)	(1,113)	(3,150)
Opening Cash Balance	-	1,263	-
Net Cash Flow	(2,037)	(1,113)	(3,150)
DIP Financing, Initial Advance	3,300	-	3,300
Closing Cash Balance	1,263	150	150

Notes:

1. Receipts are limited to collection of existing accounts receivable and sales anticipated to be collected during the Initial Period.
2. Vendors & Subcontractors include disbursements required to continue operations at the QM Group's active project sites.
3. Payroll, Benefits, Union costs are paid in the normal course.
4. Rents & Leases are paid in the normal course and include office and facility rents, and capital equipment leases.
5. Professional fees include payments to the QM Group's legal counsel, the Monitor, and the Monitor's legal counsel.
6. A draw of \$3.3 million of DIP Financing is projected during the Initial Period. At the comeback hearing, the QM Group anticipates seeking approval of further DIP financing to fund working capital needs and the CCAA proceedings.

APPENDIX E
MANAGEMENT'S REPRESENTATION LETTER
REGARDING THE CASH FLOW FORECAST



Alvarez & Marsal Canada Inc.
200 Bay Street, Suite 2900
Toronto ON M5J 2J1

Attention: Mr. Josh Nevsky

July 28, 2025

Dear Sirs:

Re: QM GP Inc. and Highpoint Environmental Services Inc. (together, the “Applicants”) – CCAA section 10(2) Prescribed Representations with Respect to Cash Flow Forecast

In connection with the application by the Applicants for the commencement of proceedings under the *Companies’ Creditors Arrangement Act*, management of the Applicants has prepared the cash flow forecast for the period July 29, 2025 to August 8, 2025 (the “**Cash Flow Forecast**”) and the list of assumptions on which the Cash Flow Forecast is based. The purpose of the Cash Flow Forecast is to determine the liquidity requirements of the Applicants during the CCAA proceedings.

The Applicants confirm that the hypothetical assumptions on which the Cash Flow Forecast is based are reasonable and consistent with the purpose described herein, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the projections. All such assumptions are disclosed in notes to the Cash Flow Forecast (the “**Notes**”).

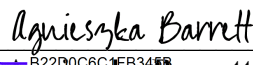
Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

Yours truly,

Signed by:

F8D9BD47656C416...
Per: Name: **Robert Alidina**
Title: **Consultant**

Signed by:

B22D0C6C1FB34F8...
Per: Name: **Agnieszka Barrett**
Title: **President and Chief Executive Officer**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT QM GP
INC. AND HIGHPOINT ENVIRONMENTAL SERVICES INC.**

Applicants

Court File No.: CV-25-00748510-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**PRE-FILING REPORT OF THE PROPOSED
MONITOR**

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Chris Armstrong LSO# 55148B
carmstrong@goodmans.ca

Erik Axell LSO# 85345O
eaxell@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for Alvarez & Marsal Canada Inc. as
Proposed Monitor