



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-25-00743136-00CL DATE: June 27, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: **SHAW-ALMEX INDUSTRIES LIMITED et al**

BEFORE JUSTICE: **Justice J. Dietrich**

PARTICIPANT INFORMATION

For Applicant or Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent or Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other or Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] The Applicants seek an order (i) extending the stay of proceedings up to and including August 1, 2025; and; (ii) approving an amended DIP Facility in the maximum principal amount of \$3,646,500 and increasing the DIP Lender's Charge accordingly.

[2] The Monitor filed its Second Report to the Court dated June 26, 2025 supporting the relief requested. No opposition was raised to any of the requested relief by any person.

[3] Terms used but not otherwise defined herein have the meaning provided to them in the factum of the Applicants filed on this motion.

Background

[4] On March 29, 2025, SAIL filed a notice of intention to make a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended. FTI Consulting Canada Inc. ("FTI") consented to act as the proposal trustee of SAIL's estate.

[5] On May 13, 2025, I granted an Initial Order which, among other things: (a) continued the NOI proceeding commenced by SAIL under the purview of the CCAA and granted Shaw Almex Fusion, LLC protection under the CCAA; (b) appointed FTI as the Monitor of the Applicants with enhanced powers; (c) granted a stay of all proceedings until May 30, 2025; authorized the Applicants to borrow up to a maximum principal amount of \$1,836,000 under a facility (the "**DIP Facility**") from Royal Bank of Canada in its capacity as DIP Lender; and (d) granted an administration charge and a DIP Lender's Charge over the Property.

[6] Further background on the proceedings was provided in my endorsement of May 13, 2025. On May 13, 2025, I also granted an order approving a sale and investment solicitation process (the "**SISP Approval Order**").

[7] On May 30, 2025, I granted an order (the "**First Extension Order**") (i) extending the stay of proceedings up to and including July 18, 2025; and; (ii) approving an amended DIP Facility in the maximum principal amount of \$2,828,500 and increasing the DIP Lender's Charge accordingly.

[8] The Monitor has advised that a number of binding orders were received on June 12, 2025 and the Monitor is currently negotiating definitive documents and expects to seek approval of a transaction shortly. A motion for such approval is scheduled for **July 18, 2025 at 11:00 am for 2 hours (virtual)**.

[9] The SISP provided that a transaction was to close by July 4, 2025 or such later date as the Monitor in accordance with the SISP may determine is appropriate. The Monitor has obtained the approval of the DIP Lender to extend the target closing date to August 1, 2025. The

amendment to the DIP Facility for which approval is sought is intended to support the Applicants through to the extended target closing date.

Issues

[10] The issues to be determined today limited to approval of the Second Amended DIP Facility and increased DIP Lender's Charge be granted and the extension of the Stay Period until August 1, 2025.

Analysis

DIP Facility and DIP Lender's Charge

[11] Pursuant to the Initial Order, I approved the Applicants' Amended DIP Term Sheet and granted a corresponding DIP Lender's Charge in the maximum principal amount of \$1,836,000 plus interest and fees. Pursuant to the First Extension Order, I approved an amended DIP Term Sheet and granted a corresponding increase to the DIP Lender's Charge to the maximum principal amount of \$2,626,500 plus interest and fees. The Applicants are now seeking approval to increase the Amended DIP Facility to the maximum amount of \$3,646,500 and approval of the corresponding increase of the DIP Lender's Charge. The milestone in the amended DIP Term Sheet for court approval of transaction identified by the SISP is July 17, 2025, however counsel for the DIP Lender indicated during today's hearing the DIP Lender would consent to an extension to coincide with the scheduled hearing for July 18, 2025.

[12] Section 11.2 of the CCAA permits the Court to approve the Second Amended DIP Facility and the DIP Lender's Charge on notice to those secured creditors that would be affected and in an amount that the Court considers appropriate having regard to the Applicants' cash flow forecast.

[13] All secured creditors who are affected by the proposed DIP Lender's Charge, including the increase thereof, have been served with a copy of the Applicants' motion record and the Revised and Extended Cash Flow Forecast Projections discussed in the Second Report show that the Applicants require access to the Second Amended DIP Facility to provide the Applicants with necessary funding to continue their Business and operations and to advance their restructuring efforts, including the on-going continuation of the SISP.

[14] The Monitor supports the second amendment to the DIP Facility and the corresponding increase to the DIP Lender's Charge. No person opposes the requested increase and, in the circumstances, I am satisfied that approval of the Second Amended DIP Facility and corresponding increase to the DIP Lenders' Charge is appropriate.

Stay of Proceedings

[15] The Applicants seek to extend the Stay Period to August 1, 2025.

[16] Pursuant to the SISP, qualified bidders were required to submit a Qualified Purchase Bid or Qualified Investment Bid (each as defined in the SISP) by no later than June 12, 2025. As

noted above, the Monitor received competitive bids. The Monitor continues to finalize a definitive agreement in respect of the highest or otherwise best bid from the SISF and the Applicants or Monitor intend to apply to this Court for an order approving the transaction contemplated by such Successful Bid in accordance with the revised target closing date of August 1, 2025.


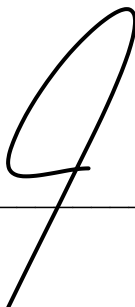
[17] Section 11.02(2) of the CCAA gives this Court the authority to grant an extension of the stay of proceedings for any period “it considers necessary”. To do so, this Court must be satisfied that circumstances exist that make the order appropriate and that the Applicants have acted, and are acting, in good faith and with due diligence.

[18] As set out in the Second Report, the Applicants have acted and are continuing to act in good faith and with due diligence. The Revised and Extended Cash Flow Forecast Projections demonstrate that the Applicants are expected to have sufficient liquidity to operate through the proposed Extended Stay Period, subject to the approval of the Second Amended DIP Facility. The Applicants with the support of the Monitor are of the view that the Extended Stay Period is necessary and appropriate in the circumstances to provide the Applicants with the breathing space and operational stability to continue preserve the Business as a going concern while maximizing value for the benefit of their stakeholders through these CCAA proceedings and SISF. I agree.

Disposition

[19] Order to go in the form signed by me this day.

June 27, 2025



Justice Dietrich J.