

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)
(Sitting as a court designated pursuant to the
Bankruptcy and Insolvency Act 1985, c. B-3)

No.: 500-11-064800-242

***IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:***

EARTH ALIVE CLEAN TECHNOLOGIES INC.

Debtor / Applicant

-and-

RAYMOND CHABOT INC.

Trustee

-and-

**NIKOLAOS SOFRONIS
VLADIMIR CARDON DE LICHTBUER**

Secured Creditors

APPLICATION FOR EXTENSION OF TIME TO FILE A PROPOSAL

(Section 50.4(9) of the *Bankruptcy and Insolvency Act*, 1985, c. B-3)

**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN
COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTRÉAL,
OR TO THE REGISTRAR OF THIS COURT, EARTH ALIVE CLEAN TECHNOLOGIES
INC., RESPECTFULLY SUBMITS THE FOLLOWING:**

1. INTRODUCTION

1. On October 22, 2024, the Applicant, Earth Alive Clean Technologies Inc. ("**Earth Alive**" or the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") under Subsection 50.4(1) of the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3 (the "**BIA**") and Raymond Chabot Inc. ("**RCI**") was appointed as trustee thereto (RCI acting in such capacity is herein referred to as the "**Trustee**")

as appears from a copy of the certificate of filing communicated herewith as **Exhibit R-1**.

2. By way of the present *Application for Extension of Time to File a Proposal* (the “**Application**”), Earth Alive seeks the issuance of an order, substantially in the form of the draft order communicated as **Exhibit R-2** (the “**Extension Order**”) extending the time to file a proposal until January 30, 2025.
3. For the reasons set forth hereinafter, Earth Alive respectfully submits that the extension sought should be granted by this Court in the context of these proceedings (the “**NOI Proceedings**”), as it will allow Earth Alive, with the assistance of the Trustee, to maintain its operations while implementing and finalizing the SISP in order to conclude a transaction with a view to maximizing the value of its business and assets, the whole for the benefit of its creditors and stakeholders.

2. **THE NOI PROCEEDINGS**

4. On October 23, 2024, Earth Alive filed an *Application for the Issuance of an Order (i) Approving an Interim Financing and an Interim Financing Charge, (ii) Approving an Administration Charge, (iii) Approving a D&O Charge, (iv) Extending the Time to File a Proposal and (v) Approving Ancillary Relief* (the “**October 23, 2024 Application**”).
5. On November 1, 2024, the Court granted the October 23, 2024 Application and issued an order (the “**First Order**”):
 - (i) approving the implementation of a sale and investment solicitation process (the “**SISP**”);
 - (ii) approving an interim financing facility in a maximum principal amount of \$1,720,000 (the “**Interim Facility**”), to fund the Company’s working capital requirements during the NOI Proceedings, including legal and other professional costs associated with the NOI Proceedings, and the related

super-priority court-ordered charge (the “**Interim Financing Charge**”) in an amount of \$2,200,000 over the Company’s property;

- (iii) approving a priority charge in favour of the Trustee and Earth Alive’s counsel, on the Company’s property as security for their respective fees and disbursements relating to services rendered in respect of the Company in the maximum amount of \$250,000 (the “**Administration Charge**”);
 - (iv) approving a priority charge on the Company’s property as security for the potential liability of the directors and officers (“**D&O**”); incurred in such capacity after the commencement of the NOI Proceedings in the amount of \$100,000 (the “**D&O Charge**”);
 - (v) extending the deadline to file a proposal to December 16, 2024; and
 - (vi) approving ancillary relief.
6. Further to the issuance of the First Order, Earth Alive’s management team, with the support of the Trustee, had discussions with employees, clients, suppliers and other stakeholders to ensure continuity of operations.
 7. The Company, with the Trustee’s approval, issued 2 notices to terminate agreements under Section 65.11 of the BIA since the commencement of the NOI Proceedings.
 8. On October 23, 2024, Earth Alive informed its insurer of the NOI Proceedings and subsequently obtained the renewal of the D&O insurance policy until February 11, 2025.
 9. The Company, with the assistance of the Trustee, prepared revised and updated cash-flow projections.

3. **RESTRUCTURING PLAN AND RELIEF SOUGHT**

3.1. **THE SISP**

10. Earth Alive's management, with the assistance and under the supervision of the Trustee, is currently implementing the SISP and the following steps were performed in regard thereto:

| STAGES / MILESTONES | ESTIMATED TIMELINE |
|--|--------------------------------------|
| Preparation of a business opportunity document (" Teaser ") Preparation of a document specifying the terms and conditions of the call for tenders (" Process Letter ") Preparation of a virtual data room Preparation of a confidentiality agreement Preparation of a list of potential buyers | October 15-29, 2024 |
| Launch of the SISP | October 29, 2024 |
| Due Diligence Period (ongoing) | October 24, 2024 – December 20, 2024 |

11. The following steps remain to be implemented:

| STAGES / MILESTONES | ESTIMATED TIMELINE |
|--|--------------------------------------|
| Binding offers deadline | December 20, 2024 |
| Negotiations with tenderers and preparation of Court material for the approval of an offer | December 22, 2024 – January 15, 2025 |
| Signing of Binding Asset or Share Purchase Agreement | January 15, 2025 |

| STAGES / MILESTONES | ESTIMATED TIMELINE |
|--|--------------------------|
| Service of Application for Court Approval of Asset or Share Purchase Agreement | January 16, 2025 |
| Hearing for Court Approval (subject to Court availability) | Week of January 20, 2025 |
| Closing of the transaction | Week of January 27, 2025 |

3.2. EXTENSION OF THE TIME TO FILE A PROPOSAL

12. Considering that the NOI was filed on October 22, 2024, the initial time limit for the filing of a proposal under Subsection 50.4(8) of the BIA was initially set to expire on November 21, 2024 and subsequently extended to December 16, 2024 by this Court.
13. Earth Alive therefore requires additional time to finalize the implementation the SISP, and all ancillary measures related thereto.
14. Accordingly, Earth Alive respectfully submits that this Court should extend the time period to make a proposal by 45 days to January 30, 2025, pursuant to Subsection 50.4(9) of the BIA.
15. Should the extension sought not be granted, the bankruptcy of Earth Alive would jeopardize the value of its assets and would have negative consequences for employees, subcontractors, secured and unsecured creditors as well as other stakeholders.
16. Earth Alive has sufficient funds to continue the operations up to and until January 30, 2025, as appears from the cash flow projections appended to the Trustee's report communicated as **Exhibit R-3**.

17. Earth Alive's secured creditors support the extension sought and no creditors will be unduly prejudiced by the extension sought.

4. **CONCLUSIONS**

18. For the reasons explained above, Earth Alive believes it is both appropriate and necessary that the relief being sought be granted.

19. Earth Alive respectfully submits that the notices given of the presentation of the present Application are proper and sufficient and that it should be granted in accordance with its conclusions.

THEREFORE MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present Application;

ISSUE an order in the form of the draft Extension Order communicated as **Exhibit R-2**;

WITHOUT COSTS, save and except in case of contestation.

MONTRÉAL, December 6, 2024



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Inc.

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**LIST OF EXHIBITS IN SUPPORT OF AN APPLICATION FOR EXTENSION OF TIME
TO FILE A PROPOSAL**

(Section 50.4(9) of the *Bankruptcy and Insolvency Act, 1985, c. B-3*)

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- EXHIBIT R-1** Copy of Earth Alive's Certificate of Filing of an NOI
EXHIBIT R-2 Copy of draft Extension Order
EXHIBIT R-3 Trustee's Report

MONTRÉAL, December 6, 2024

Davies Ward Phillips & Vineberg LLP

DAVIES WARD PHILLIPS & VINEBERG LLP

Attorneys for Earth Alive Clean Technologies
Inc.

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AFFIDAVIT OF NIKOLAOS SOFRONIS

I, the undersigned, Nikolaos Sofronis, having my professional address at 1560-1050 Cote du Beaver Hall, city of Montréal, province of Québec, H2Z1S4, solemnly declare as follows:

1. I am President of Earth Alive Clean Technologies Inc.;
2. All the facts alleged in the *Application for Extension of Time to File a Proposal* are true to the best of my knowledge.

AND I HAVE SIGNED:

Signé par :

Nikolaos Sofronis

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Nikolaos Sofronis

SOLEMNLY AFFIRMED before me in Montréal this 6th day of December 2024 by Anne Bredin, whose oath was taken in Montréal and received in Montréal, the whole by technology means and in accordance with the memorandum of the Québec Ministry of Justice dated March 20, 2020

Signé par :

Anne Bredin

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Commissioner of Oaths for the Province of Québec and outside the Province of Québec



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NOTICE OF PRESENTATION

1. PRESENTATION OF THE PROCEEDING

TAKE NOTE that the *Application for Extension of Time to File a Proposal* will be presented in the Commercial Practice Division of the Superior Court, in Courtroom 16.10 of the Montréal Courthouse located at 1 Notre-Dame Street, in the City of Montréal, Province of Québec, during the virtual calling of the roll on December 12, 2024, at 8:45 a.m., or as soon as counsel may be heard.

2. HOW TO JOIN THE VIRTUAL CALLING OF THE ROLL IN PRACTICE DIVISION

The contact information to join the calling of the roll of Room 16.10 is as follows:

[Rejoindre la réunion Microsoft Teams](#)

+1 581-319-2194 Canada, Québec (Numéro payant)

(833) 450-1741 Canada (Numéro gratuit)

ID de conférence : 820 742 874#

[Numéros locaux](#) | [Réinitialiser le code confidentiel](#) | [En savoir plus sur Teams](#) | [Options de réunion](#)

Rejoindre à l'aide d'un dispositif de vidéoconférence teams@teams.justice.gouv.qc.ca

ID de la conférence VTC: 1193653703 [Autres instructions relatives à la numérotation VTC](#)

In person: if and only if you do not have access to one of the above-mentioned technological means. You may then go to Room 16.10 of the Montréal Courthouse, located at: 1 Notre-Dame Street. East, Montréal, Québec.

3. FAILURE TO PARTICIPATE IN THE VIRTUAL CALLING OF THE ROLL

TAKE NOTE that if you wish to contest the proceeding, you must inform in writing the party that initiated the proceeding at the contact information indicated in this notice of presentation at least 48 hours before the date of presentation of the proceeding and participate in the virtual calling of the roll. Otherwise, a judgement may be rendered against you during the presentation of the proceeding, without further notice or delay.

4. OBLIGATIONS

4.1 Duty of cooperation

TAKE NOTE that you are duty-bound to co-operate and, in particular, to keep one another informed at all times of the facts and particulars conducive to a fair debate and to make sure that relevant evidence is preserved (*Code of Civil Procedure*, art. 20)

4.2 Dispute prevention and resolution processes

TAKE NOTE that before referring your dispute to the Court, you must consider private dispute prevention and resolution processes, which consist of negotiation between the parties as well as mediation and arbitration, in which the parties call on a third person to assist them (*Code of Civil Procedure*, art. 2).

PLEASE GOVERN YOURSELF ACCORDINGLY.

MONTRÉAL, December 6, 2024

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**APPLICATION FOR EXTENSION OF TIME TO FILE A
PROPOSAL, LIST OF EXHIBITS, AFFIDAVIT OF
NIKOLAOS SOFRONIS AND NOTICE OF
PRESENTATION**

ORIGINAL

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