ENTERED

302606

Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
Feb 22, 2021
by Email
CLERK OF THE COURT

COM
Feb. 25, 2021
Justice Eidsvik

COURT FILE NUMBER	2001 06423
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY

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 ENTREC CORPORATION, CAPSTAN HAULING LTD., ENT CAPITAL CORP., ENTREC CRANES & HEAVY HAUL INC., ENTREC HOLDINGS INC., ENT OILFIELD GROUP LTD. and ENTREC SERVICES LTD.

DOCUMENT **EIGHTH REPORT OF THE MONITOR**
February 19, 2021

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

MONITOR
Alvarez & Marsal Canada Inc.
250 6th Avenue SW, Suite 1110
Calgary, AB T2P 3H7

Phone: +1 604.638.7440
Fax: +1 604.638.7441
Email: atillman@alvarezandmarsal.com / vchan@alvarezandmarsal.com

Attention: Anthony Tillman / Vicki Chan

COUNSEL
Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com / gunnar.benediktsson@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Gunnar Benediktsson

A&M
ALVAREZ & MARSAL

TABLE OF CONTENTS

APPENDICES

Appendix A – Sixth Cash Flow for the period February 6, 2021 to August 31, 2021

1.0 INTRODUCTION

1.1 On May 15, 2020, ENTREC Corporation, Capstan Hauling Ltd., ENTREC Alberta Ltd. , ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc., ENT Oilfield Group Ltd., and ENTREC Services Ltd. (collectively, the "**Applicants**" or "**ENTREC**"), were granted an initial order (the "**Initial Order**", and as subsequently amended and restated the "**ARIO**") to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Among other things, the Initial Order provided for a stay of proceedings in respect of the Applicants for a period initially expiring May 25, 2020 (the "**Stay Period**").

1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. was appointed as monitor (the "**Monitor**" or "**A&M**") in the CCAA Proceedings.

1.3 The Monitor, as foreign representative, filed petitions for each of the Applicants under Chapter 15 of the U.S. Bankruptcy Code (the "**U.S. Proceedings**") in the United States Bankruptcy Court for the Southern District of Texas (the "**U.S. Court**"), Jointly Administered Case No. 20-32643. On May 15, 2020, the U.S. Court in the U.S. Proceedings entered an order granting provisional relief providing that the Initial Order be given full force and effect in all respects on an interim basis, including, without limitation, with respect to property of the Applicants located in the U.S.

1.4 On August 31, 2020, the Court granted orders, which among other things, authorized the sale of all the U.S. assets excluding leased assets and receivables (the "**Wolverine Transaction**") to Wolverine Energy and Infrastructure Inc. ("**Wolverine**") and provided a further extension of the Stay Period until October 9, 2020.

1.5 On September 9, 2020, the U.S. Court approved the Wolverine Transaction and authorized the rejection and return of certain leased equipment located in the U.S.

1.6 On September 28, 2020, the Applicants filed a notice of application, returnable on October 5, 2020 (the **"October 5 Application"**) for an order to, *inter alia*, terminate these CCAA Proceedings in anticipation of completing the sale of substantially all of the Applicants' assets by September 30, 2020.

1.7 On October 1, 2020, the Applicants notified the Court and the Service List that the asset purchase agreement related to the Wolverine Transaction had been terminated and that the Applicants would be seeking an extension of the stay of proceedings until November 30, 2020, and requesting that the Court adjourn the balance of the relief in the October 5 Application *sine die*.

Subsequently, Wolverine filed an affidavit on October 6, 2020 attaching correspondence related to the termination of the Wolverine Transaction.

1.8 On October 5, 2020, the Court granted an order to extend the Stay Period until November 30, 2020.

1.9 On November 2, 2020, the Court granted the following orders which, *inter alia,* authorized the sale of substantially all of the U.S. assets (the "**Prolift Transaction**") to Prolift Rigging Company, LLC ("**Prolift**") and assigned to Prolift the contracts required to be assigned as part of the Prolift Transaction pursuant to Section 11.3 of the CCAA.

1.10 Following the Canadian court hearing on November 2, 2020, the U.S. Court approved the Prolift Transaction and the assignment of contracts relating to the subject transaction.

1.11 On November 24, 2020, the Court granted the following order (the "**CCAA Termination Order**") which, *inter alia:*

a) approved the professional fees and disbursements of the Monitor and the Monitor's legal counsel as set out in the Monitor's Seventh Report dated November 18, 2020 (the "**Seventh Repor**t") and pre-authorized and pre-approved the professional fees and disbursements of the Monitor and its legal counsel for completion of the Remaining Activities, as defined in the Seventh Report;
b) authorized the Monitor to hold a reserve of funds (the "**Reserve**") from remaining proceeds held in respect of the Applicants' Property (as defined in the ARIO) and make distributions in excess of the Reserve to the Agent;
c) granted enhanced powers to the Monitor for the remainder of the CCAA Proceedings;
d) terminated the CCAA Proceedings and discharged the Monitor upon the filing of a certificate by the Monitor (the "**Termination Certificate**") with the Court;
e) released all claims of third parties against the Monitors and its legal counsel and the Applicants' directors and officers, except for Insured Claims and Restricted Claims;
f) released the Court-ordered charges (together, the "**Charges**") granted pursuant to the ARIO and other orders of this Honourable Court, as follows:
    i. KERP/KEIP Charge, the Sales Agent Charge and the Directors' Charge upon the filing of a certificate by the Monitor (the "**Charge Release Certificate**"); and
    ii. the Administration Charge and the Interim Lender's Charge upon filing of the Monitor's Termination Certificate;

g) extended the stay of proceedings until the earlier of: i) the filing of the Termination Certificate, and (ii) February 26, 2021; and

h) approved the activities of the Monitor as set out in the Seventh Report.

1.12 On February 19, 2021, the Monitor's counsel filed a notice of application, returnable February 25, 2021 (the "**February 25 Application**") for an order (the "**Stay Extension Order**") to extend the stay of proceedings until the earlier of: i) the filing of the Termination Certificate and (ii) August 25, 2021, and to approve the activities of the Monitor as set out herein.

1.13 Further information regarding these CCAA Proceedings, including copies of the court orders, affidavits, reports of the Monitor and all other court-filed documents and notices are available on the Monitor's website at www.alvarezandmarsal.com/entrec (the "**Monitor's Website**"). Information regarding the U.S. Proceedings is available on the website of the U.S. notice agent at https://cases.stretto.com/entrec.

2.0 PURPOSE

2.1 This Eighth Report of the Monitor (the "**Eighth Report**") was prepared to provide information to this Honourable Court in respect of the following:

a) the activities of the Monitor since the Seventh Report;

b) the Applicants' operations;

c) the disputed Wolverine Transaction;

d) a comparison of ENTREC's actual cash receipts and disbursements for the 12-week period ended February 5, 2021 compared to the cash flow forecast, as appended to the Seventh Report (the "**Fifth Cash Flow Forecast**");

e) an updated and extended cash flow forecast for the period February 6, 2021 to August 31, 2021 (the "**Sixth Cash Flow Forecast**");

f) the funds held in trust by the Monitor;

g) the request for a further extension of the Stay Period; and

h) the recommendations of the Monitor in respect of the foregoing, as applicable.

2.2 The Eighth Report should be read in conjunction with the February 25 Application. Background information, including capitalized terms not defined herein, are contained in the Initial Order, the ARIO, the SISP, and the Monitor's previous reports, and have not been repeated herein.

3.0 TERMS OF REFERENCE

3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain former senior management of ENTREC ("**Management**"). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Applicants. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by the Monitor and certain Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

3.3 Unless otherwise stated, all monetary amounts contained in this Eighth Report are expressed in Canadian dollars.

4.0 ACTIVITIES OF THE MONITOR

4.1 The Monitor's activities since the Seventh Report have included the following:

a) assisting the Applicants with communications to former employees, customers, vendors, and other parties;
b) conducting ongoing discussions, meetings and communications with the Applicants, their respective legal counsel regarding the CCAA Proceedings and ongoing business and financial affairs, including wind-down plans;
c) monitoring cash flow and other operational matters, in accordance with the Support Agreement dated May 14, 2020, as amended from time to time (the "**RSA**");
d) contracting certain former employees of the Applicants to assist the Monitor with various wind-down activities;
e) preparing weekly reports to and attending bi-weekly meetings with the Agent and its advisors;
f) preparing the Sixth Cash Flow Forecast;

g) collecting sale and other proceeds and distributing same to the Agent;
h) assisting with various wind-down activities including the sale of residual assets, collection of receivables, and release of holdbacks;
i) approving and preparing disbursements;
j) issuing the Charge Release Certificate and releasing the KERP/KEIP Charge, the Sales Agent Charge and the Directors' Charge following the U.S. Court granting comity to the CCAA Termination Order;
k) assisting the Applicants to disclaim certain telecommunication and software services contracts in accordance with the relevant provisions of the CCAA with the consent of the Monitor and approval by the Agent;
l) communicating with various trade creditors and other stakeholders;
m) posting of non-confidential materials filed with this Court to the Monitor's Website; and
n) preparing this Eighth Report.

5.0 REMAINING OPERATIONAL ACTIVITIES

5.1 The remaining operational activities include, among other things:

a) litigating the Wolverine Dispute;
b) attending to collections and, in certain cases, litigation with respect to outstanding accounts receivables;
c) managing disbursements and managing the Reserve funds;
d) attending to all remaining matters such as reconciling and applying for the return of deposits and holdbacks, filing of GST returns and payroll-related forms, storage of the Applicants' physical and digital books and records, resolving outstanding letters of credit, attending to ongoing regulatory audits, and any other related matters; and
e) completing the wind-down of ENTREC and administration of the CCAA Proceedings.

5.2 As at the date of this Eighth Report, substantially all of the Applicants' assets have been sold with only certain miscellaneous equipment remaining which is in the process of being sold through various liquidators.

6.0 UPDATE ON THE WOLVERINE DISPUTE

6.1 As detailed in the Monitor's previous reports, the Wolverine Transaction did not close on September 30, 2020 as a dispute arose between the parties in respect of a price adjustment requested by Wolverine and the Wolverine Transaction was subsequently terminated.

6.2 On November 2, 2020, Wolverine filed an adversary complaint against the Applicants in the U.S. Proceedings (the "**Wolverine Dispute**") seeking, among other things, a return of the bid deposit of $3.35 million (the "**Deposit**") and additional damages and costs of approximately USD $1.0 million plus costs and interest.

6.3 The Monitor, on behalf of ENTREC, filed its Answer and Counterclaim on December 18, 2020. On January 6, 2021, a pre-trial hearing was held and the U.S. Court ordered a mini trial on the bifurcated issue of whether a timely "field exam" occurred pursuant to the subject asset purchase agreement. The parties are currently attending to discovery and select depositions in advance of the mini trial, which is set for March 31, 2021.

6.4 The Monitor continues to hold the Deposit pending a consensual resolution or final judicial determination of the Wolverine Dispute.

7.0 ACTUAL CASH FLOW RESULTS COMPARED TO FIFTH CASH FLOW FORECAST

7.1 As part of the ongoing oversight and monitoring of the business and financial affairs of ENTREC, the Monitor has set-up a weekly cash flow review protocol to compare actual cash flows against the Fifth Cash Flow Forecast.

7.2 The Applicants' actual cash receipts and disbursements as compared to the Fifth Cash Flow Forecast during the period of November 14, 2020 to February 5, 2021 (the "**Reporting Period**") is summarized below:

ENTREC Corporation
Cash Flow Variance Analysis
For the twelve weeks ended February 5, 2021*
(in CAD$000s)

	For the 12 weeks ended February 5, 2021		
	Actual*	**Forecast****	**Variance**
Operating receipts			
Collection of receivables and forecast sales			
ENTREC Canada	$ 1,126	$ 2,075	$ (949)
ENTREC US	2,505	3,525	(1,020)
Net proceeds from sale process and redundant assets	1,051	1,279	(228)
Canada Emergency Wage Subsidy	21	-	21
Other receipts	2,279	1,258	1,021
Total operating receipts	6,982	8,137	(1,155)
Operating disbursements			
Payroll and benefits - Canada	193	198	(5)
Payroll remittances - Canada	25	265	(240)
Payroll remittances - US	-	33	(33)
Operating costs	217	279	(62)
Wind-up and other costs	87	161	(74)
Fuel	1	-	1
General and administrative costs	93	74	20
Shop rent and employee housing	16	16	(0)
Sales tax	33	47	(14)
Contingency	75	20	55
Total operating disbursements	739	1,092	(353)
Net operating cash flow	**6,243**	**7,045**	(802)
Other disbursements			
KERP payments	86	83	3
Professional fees	1,322	1,284	38
ABL interest costs	535	-	535
Interim Facility interest costs	226	-	226
Interim Facility fees	13	-	13
Total other disbursements	2,182	1,367	815
Net cash flow	**$ 4,062**	**$ 5,678**	(1,617)
<u>**Continuity of Reserve Fund**</u>			
Opening Balance	$ 4,308	$ 4,311	(3)
Holdbacks (draws)	(2,613)	(3,325)	712
FX adjustment	(40)	-	(40)
Ending balance	**$ 1,654**	**$ 986**	668
<u>**Continuity of Financing**</u>			
Pre-filing debt			
ABL balance	$ 622	$ 622	-
Less: cash receipts	(3,135)	(622)	(2,513)
Draws (repayments)	283	-	283
Interim Facility transfers	2,231	-	2,231
	-	-	-
Operating line	5,000	1,892	3,108
Ending balance	**5,000**	**1,892**	3,108
Interim Facility			
Opening balance	32,923	32,923	-
Draws (repayments)	(3,850)	(5,274)	1,424
ABL transfers	(2,231)	-	(2,231)
FX adjustment	191	-	191
Ending Interim Facility balance (cash)	**27,033**	**27,650**	(616)
Total financing, ending position	**$ 32,033**	**$ 29,542**	2,492

**Amounts denominated in US currency were converted into Canadian dollars at the average exchange rate for the applicable period*
***Amounts denominated in US currency were converted into Canadian dollars at an exchange rate of C$1:US$.752*

7.3 During the Reporting Period, ENTREC experienced a net unfavourable cash flow variance of approximately $1.6 million. The principal components of the variance are described as follows:

a) collection of receivables was lower than forecast by $2.0 million due to timing differences over the Reporting Period as well as lower than anticipated revenues in October in the U.S., which has impacted subsequent collections;
b) other receipts were $1.0 million higher than forecast due to higher than anticipated insurance refunds and receipt of excess funds held in various bank accounts, which were subsequently closed;
c) payroll-related expenditures were $280,000 below forecast primarily due to the timing of payment of WCB premiums due in February 2021; and
d) interest costs of $775,000 for both the Interim Facility and the ABL Facility were higher than forecast as the Fifth Cash Flow Forecast did not anticipate further interest to be payable following the closing of the Prolift Transaction on November 6, 2020.

7.4 The cash flow variance reporting does not include the Deposit, which is currently held by the Monitor pending resolution of the Wolverine Dispute.

7.5 Net repayments under the Interim Facility and ABL Facility were $5.9 million and $622,000, respectively, during the Reporting Period primarily from the collection of receivables and other receipts, which through a sweeping mechanism described in the First Report, were applied towards the pre-filing ABL Facility and then the Interim Facility when the ABL Facility was fully repaid during the week ended December 18, 2020.

7.6 As detailed in the Seventh Report, the Monitor is holding the Reserve to satisfy post-filing obligations incurred by the Applicants in the ordinary course of business and to satisfy any amounts payable secured by the Charges or that are in priority to the Agent's security.

7.7 During the Reporting Period approximately $2.6 million of the Reserve was drawn of which approximately $1.5 million related to the release of the Directors' Charge to the Agent following the U.S. Court granting comity to the CCAA Termination Order and the filing of the Charge Release Certificate. The remaining $1.1 million was drawn to fund operating disbursements and professional fees.

8.0 SIXTH CASH FLOW FORECAST

8.1 The Applicants have prepared an updated cash flow forecast for the period February 6, 2021 to August 31, 2021 (the "**Forecast Period**"). A copy of the Sixth Cash Flow Forecast, together with the accompanying notes, is attached to this report as Appendix "**A**" and is summarized below.

ENTREC Corporation Sixth Cash Flow Forecast For the period February 6, 2021 to August 31, 2021 (in CAD$000s)	
Operating receipts	
Collection of receivables	$ 650
Net proceeds from sales of redundant assets	99
Other receipts	219
Total operating receipts	968
Operating disbursements	
Payroll and benefits	157
Wind-up and other costs	88
General and administrative costs	36
Contingency	75
Total operating disbursements	356
Net operating cash flow	**612**
Other disbursements	
Professional fees	849
Interim Facility interest costs and fees	1,350
Total other disbursements	2,199
Net cash flow	**$ (1,587)**
Continuity of Reserve Fund	
Opening Balance	$ 1,654
Holdbacks (draws)	(1,205)
Ending balance	449
Continuity of Financing	
Pre-filing debt	
Operating line	$ 5,000
Less: repayments	-
	5,000
Ending balance	**5,000**
Interim Facility	
Opening balance	$ 27,033
Draws (repayments)	382
Ending Interim Facility balance (cash)	**27,415**
Total financing, ending position	**$ 32,415**

8.2 The Sixth Cash Flow Forecast has been prepared solely for the purpose described in Note 1 of the Sixth Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

8.3 The Sixth Cash Flow Forecast indicates that the Applicants will experience a net cash outflow of $1.6 million over the Forecast Period based on the following key assumptions:

a) forecast receipts of $970,000 consist primarily of $650,000 from the collection of receivables, $100,000 from the sale of miscellaneous assets, and $220,000 of other receipts including release of vendor deposits and certain tax refunds;

b) forecast operating disbursements of $360,000 relate primarily to contractor fees, WCB premium payments, wind-down costs, general and administrative costs and a contingency for unanticipated expenditures;

c) professional fees are forecast to be approximately $850,000 during the Forecast Period and include the Monitor and its legal counsel, the Syndicate's financial advisor and its legal counsel in Canada and the U.S., and fees to resolve any litigation and/or disputes;

d) Interim Facility interest costs and fees of approximately $1.4 million as determined under the Credit Agreement and RSA, as amended; and

e) the ending balance of total financing is approximately $32.4 million which represents an increase in financing of $380,000 to the secured debt held by the Syndicate and Canadian Western Bank as at August 31, 2021.

8.4 Pursuant to the CCAA Termination Order, the Reserve was established to:

a) satisfy post-filing obligations incurred by the Applicants in the ordinary course of business;

b) complete such steps as are necessary to wind-down the Applicants' Canadian and U.S. operations; and

c) satisfy any amounts payable that are secured by the Charges or that are in priority to the Agent's security.

8.5 In accordance with the CCAA Termination Order, funds that are in excess of the amount required for the Reserve are to be distributed to the Agent, provided that the aggregate amount of all distributions does not exceed the aggregate obligations owing to the Syndicate by the Applicants. By the end of the Forecast Period, the Reserve is forecast to be approximately $450,000 as at August 31, 2021.

8.6 The Reserve does not include any amounts held back for the Deposit, which is currently held by the Monitor pending resolution of the Wolverine Dispute.

9.0 FUNDS HELD IN MONITORS' ACCOUNTS

9.1 The Monitor currently holds in trust approximately $5.0 million which is comprised of the following:

(in $000s)		
Wolverine Deposit	$	3,350
Reserve		
Operating & other costs - estimated February 6 to August 25, 2021		1,205
Contingency		449
Total Reserve		1,654
Total	**$**	**5,004**

9.2 The Monitor expects to draw down the Reserve to fund operating and other costs to complete the wind-down of ENTREC and administration of the CCAA Proceedings and to distribute any remaining funds to the Agent upon the completion of the CCAA Proceedings.

10.0 EXTENSION OF STAY OF PROCEEDINGS

10.1 Pursuant to the CCAA Termination Order, the Stay Period will expire the earlier of (i) the date of the filing of the Termination Certificate; and (ii) February 26, 2021. The Monitor, on behalf of the Applicants, is seeking an extension of the Stay Period to the earlier of (i) the date of the filing of the Termination Certificate; and (ii) August 25, 2021.

10.2 The Monitor supports extending the Stay Period for the following reasons:

a) the proposed extension of the Stay Period will provide the necessary stability and certainty to enable the Monitor to complete the remaining activities outlined in section 5.0 and facilitate the wind-down of the CCAA Proceedings recognizing of course that the Wolverine Litigation may extend past August 25, 2021 which may necessitate additional extensions of the Stay Period;
b) with the Reserve in place, there is sufficient liquidity to fund the remaining costs anticipated as being required during the wind-down of the CCAA Proceedings; and
c) no creditor of the Applicants would be materially prejudiced by the extension of the Stay Period and the Syndicate is in support of the extension.

11.0 RECOMMENDATIONS

11.1 The Monitor respectfully recommends that this Honourable Court grant the Stay Extension Order.

*****

All of which is respectfully submitted to this Honourable Court this 19th day of February, 2021.

Alvarez & Marsal Canada Inc.,
in its capacity as Monitor of
ENTREC Corporation and its subsidiaries

Per: Anthony Tillman Senior Vice President	Per: Vicki Chan Vice President

APPENDIX A

ENTREC
Sixth Cash Flow Forecast[1]
For the period February 6, 2021 to August 31, 2021
(in CAD$000s)

Period		1	2	3	4	5	6	7	
Period ending	**Notes**	**28-Feb**	**31-Mar**	**30-Apr**	**31-May**	**30-Jun**	**31-Jul**	**31-Aug**	**Total**
Operating receipts									
Collection of receivables	2	$ 300	$ 200	$ 150	$ -	$ -	$ -	$ -	$ 650
Net proceeds from sales of redundant assets	3	84	15	-	-	-	-	-	99
Other receipts	4	50	-	160	9	-	-	-	219
Total operating receipts		434	215	310	9	-	-	-	968
Operating disbursements									
Payroll and benefits	5	19	132	6	-	-	-	-	157
Wind-up and other costs	6	85	3	-	-	-	-	-	88
General and administrative costs	7	25	11	-	-	-	-	-	36
Contingency	8	25	50	-	-	-	-	-	75
Total operating disbursements		154	196	6	-	-	-	-	356
Net operating cash flow		**280**	**19**	**304**	**9**	**-**	**-**	**-**	**612**
Other disbursements									
Professional fees	9	298	179	146	75	80	35	35	849
Interim Facility interest costs and fees	10	-	225	225	225	225	225	225	1,350
Total other disbursements		298	404	371	300	305	260	260	2,199
Net cash flow		**$ (18)**	**$ (385)**	**$ (67)**	**$ (291)**	**$ (305)**	**$ (260)**	**$ (260)**	**$ (1,587)**
Continuity of Reserve Fund									
Opening Balance		$ 1,654	$ 1,202	$ 826	$ 674	$ 599	$ 519	$ 484	$ 1,654
Holdbacks (draws)		(452)	(375)	(152)	(75)	(80)	(35)	(35)	(1,205)
Ending balance		1,202	826	674	599	519	484	449	449
Continuity of Financing									
Pre-filing debt									
Operating line		5,000	5,000	5,000	5,000	5,000	5,000	5,000	$ 5,000
Less: repayments		-	-	-	-	-	-	-	-
		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Ending balance		**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**
Interim Facility									
Opening balance		27,033	26,599	26,609	26,524	26,740	26,965	27,190	$ 27,033
Draws (repayments)		(434)	10	(85)	216	225	225	225	382
Ending Interim Facility balance (cash)		**26,599**	**26,609**	**26,524**	**26,740**	**26,965**	**27,190**	**27,415**	**27,415**
Total financing, ending position		**$ 31,599**	**$ 31,609**	**$ 31,524**	**$ 31,740**	**$ 31,965**	**$ 32,190**	**$ 32,415**	**$ 32,415**

ENTREC Corporation
Sixth Cash Flow Forecast
Notes and Assumptions

1. These cash flow projections in respect of ENTREC Corporation and its subsidiaries ("ENTREC") for the period from February 6 to August 31, 2021 (the "Sixth Cash Flow Forecast") have been prepared by the Monitor and former management of ENTREC based on unaudited financial information, and estimates of projected receipts and disbursements. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material.

   There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below with respect to operations, including the assumption that ENTREC continues to operate within the protections afforded as a result of the Amended and Restated Initial Order granted on May 25, 2020 and as may be amended from time to time during the CCAA Proceedings.

   The Sixth Cash Flow Forecast contemplates a general wind-down of operations.

   The Sixth Cash Flow Forecast is presented in thousands of Canadian dollars and amounts denominated in US currency have been converted into Canadian dollars at an exchange rate of C$1:US$.783 throughout the period.

2. Receipts from receivables and sales have been forecast for remaining anticipated collections following the cessation of operations.

3. Net proceeds from sales of certain redundant assets including an excess trailer, 2 trucks to an auto wrecker, and the resulting equity from the sale of leased pick-up trucks.

4. Other receipts include corporate tax refunds, customer holdbacks, and other prepayments.

5. Payroll and benefits includes former key staff members of the corporate head office retained as contractors to assist with the wind-down and deferred 2020 WCB payments which are forecast to be paid in March 2021.

6. Wind-up and other costs relate to receivables collected by ENTREC for work performed by the purchaser of the Fort McMurray business and is expected to be reconciled and paid to the purchaser by late February.

7. General and administrative expenses include primarily IT costs and other administrative costs.

8. A total contingency of $75,000 is included for the Forecast Period for any unanticipated expenses.

9. Professional fees have been forecast based on estimates of professional service firm costs relating to the CCAA Proceedings and include the Monitor and its legal counsel, the Syndicate's financial advisor and its legal counsel in Canada and the U.S., and professional fees to resolve any litigation and/or disputes.

10. Interim Facility interest is payable on the first of the month in arrears and is estimated based on the average facility balance outstanding during the month.