

Clerk's Stamp

COURT FILE NO. 2001-05482  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF JMB CRUSHING SYSTEMS INC. and 2161889  
ALBERTA LTD.

APPLICANTS JMB CRUSHING SYSTEMS INC. and 2161889 ALBERTA LTD.

DOCUMENT **AFFIDAVIT OF BYRON LEVKULICH**

ADDRESS FOR **Gowling WLG (Canada) LLP**  
SERVICE AND 1600, 421 – 7<sup>th</sup> Avenue SW  
CONTACT Calgary, AB T2P 4K9

INFORMATION OF Attn: **Tom Cumming/Caireen E. Hanert/Alex Matthews**  
PARTY FILING  
THIS DOCUMENT Phone: 403.298.1938/403.298.1992/403.298.1018  
Fax: 403.263.9193  
File No.: A163514

**AFFIDAVIT OF BYRON LEVKULICH**  
**sworn September 9, 2020**

I, **BYRON LEVKULICH**, of the City of Denver, in the State of Colorado, **MAKE OATH**  
**AND SAY THAT:**

1. I am a Director of the Applicants JMB Crushing Systems Inc. ("**JMB**") and 2161889 Alberta Ltd. ("**216**", and with JMB, the "**Applicants**"). As such, I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.
2. I swear this Affidavit further to my Affidavits sworn July 24 and August 21, 2020 in these proceedings.

3. In preparing this Affidavit, I have consulted with legal, financial and other advisors of the Applicants and members of the Applicants' management team. I have also reviewed the business records of the Applicants relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. I am authorized to swear this Affidavit as corporate representative of the Applicants.
5. The background to these proceedings is described in detail in the Affidavit of Jeff Buck sworn April 16, 2020.
6. On May 1, 2020, the Honourable Justice K.M. Eidsvik granted the Initial Order in favour of the Applicants which, among other things:
  - (a) granted the Applicants protection from their creditors under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, up to and including May 11, 2020 (the "**Stay Period**");
  - (b) appointed FTI Consulting Canada Inc. as monitor of the Applicants in these proceedings (in such capacity, the "**Monitor**");
  - (c) approved a debtor-in-possession interim revolving credit facility to be provided by ATB Financial and an alternate interim revolving credit facility to be provided by Canadian Aggregate Resources Corporation, the Applicants' parent; and
  - (d) approved a sale and investment solicitation process (the "**SISP**").
7. On May 11, 2020, the Honourable Justice K.M. Eidsvik granted the Amended and Restated Initial Order, which, among other things, extended the Stay Period to July 31, 2020 and appointed Sequeira Partners as the sale advisor (the "**Sale Advisor**") for the SISP.
8. The Stay Period was subsequently twice extended upon the application of the Applicants to September 4, 2020 and later September 11, 2020.
9. Since the granting of the Amended and Restated Initial Order, the Applicants have been acting diligently and in good faith in these proceedings by:

- (a) continuing to care and maintain the Applicants' business;
  - (b) continuing to collect outstanding receivables owed to JMB;
  - (c) applying for various subsidies from the Government of Canada to support the financial stability of the Applicants;
  - (d) continuing to reduce overhead costs to the minimum level required to support the SISP and complete certain contractual obligations approved of by the Monitor, including reducing the number of employees as contracts were completed;
  - (e) communicating with employees and creditors with respect to their restructuring plans;
  - (f) cooperating with the Monitor and the Sale Advisor in their efforts to conduct the SISP; and
  - (g) advising the Monitor and their two primary secured creditors of changes that may have a material effect on the Applicants' business and the SISP.
10. Based upon certain discussions with the Monitor and with counsel for JMB, I understand that the Monitor has:
- (a) continued to review and evaluate bids received pursuant to Phase 2 of the SISP and consulted with certain affected secured creditors, the Chief Restructuring Advisor and the bidders to determine the Successful Bid (as defined in the SISP);
  - (b) negotiated and accepted the bid submitted by McDonald Aggregates Inc. ("**McDonald**") for the purchase of certain pieces of crushing equipment (the "**Equipment**");
  - (c) continued to engage in discussions with other bidders and the Applicants' secured creditors to determine the preferred approach to the remaining bids; and

- (d) engaged in discussions with the Applicants' secured creditors regarding possible methods for allocating the costs of these CCAA proceedings to JMB's various stakeholders.
11. On August 25, 2020, with the consent of the Monitor and its two primary secured creditors, JMB entered into an Asset Purchase Agreement with McDonald for the purchase of the Equipment. On August 26, 2020, the Monitor sought and obtained a sale approval and vesting order, which approved the sale of the Equipment to McDonald and vested title to the Equipment in McDonald free and clear of any security interests or other claims. On September 8, 2020, the Monitor provided its executed certificate and it is anticipated that McDonald will take possession of the Equipment this week.
  12. I understand from my discussions with counsel for JMB that extending the Stay Period until September 18, 2020 will allow the Monitor additional time to:
    - (a) negotiate the details of the remaining bids and select one or more additional bids to maximize value and recoveries for the Applicants' estates;
    - (b) bring an application before this Honourable Court to approve additional transactions represented by the remaining bids; and
    - (c) allow the Monitor additional time to confirm the allocation of the costs of these CCAA proceedings with the Applicants' secured creditors.
  13. Based on my discussions with the Monitor and my review of the Applicants' most recent cash flow statement, the Applicants have sufficient funds through to October 23, 2020 to allow for the completion of the steps outlined above.
  14. Having regard to the circumstances, I believe that the granting of an extension of the Stay Period to September 18, 2020 or such other later date as may be directed by this Honourable Court is necessary and in the best interests of the Applicants and their stakeholders.

