

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.

AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF JMB
CRUSHING SYSTEMS INC. and MANTLE MATERIALS GROUP,
LTD. UNDER THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, RSC 1985, c C-36, as amended, and the *BUSINESS
CORPORATIONS ACT*, SBC 2002, c 57, as amended

APPLICANTS JMB CRUSHING SYSTEMS INC., 2161889 ALBERTA LTD.,
MANTLE MATERIALS GROUP, LTD. and 2324159 ALBERTA
INC.

DOCUMENT **AFFIDAVIT OF BYRON LEVKULICH**

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AFFIDAVIT OF BYRON LEVKULICH
sworn March 4, 2021

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 Applicant JMB Crushing Systems Inc. ("**JMB**") and was a director of the Applicant 2161889 Alberta Ltd. ("**216**", and with JMB, the "**CCAA Applicants**").

I am also a principal at Resource Land Holdings, LLC (“**RLH**”), which is the contracted fund manager of Resource Land Fund V, LP (“**RLF**”), which is the ultimate parent of JMB, 216 and Mantle Materials Group, Ltd. (“**Mantle**”). Finally, I am a director of Mantle. 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 make this Affidavit in support of relief sought by JMB, 216, Mantle and 2324159 Alberta Inc. (“**ResidualCo**”) in the within proceedings and summarized in paragraph 6 of this Affidavit.
3. In preparing this Affidavit, I have consulted with legal, financial and other advisors of the Plan Applicants and members of the Plan Applicants’ management team. I have also reviewed the business records of the Plan 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 a corporate representative of the Plan Applicants.
5. All capitalized terms not otherwise defined in this Affidavit are as defined in:
 - (a) the amended and restated purchase agreement dated March 3, 2021 (the “**Amended Purchase Agreement**”) between JMB and 216 as vendors and Mantle as purchaser, which amends and restates the earlier amended and restated asset purchase agreement dated September 28, 2020, as amended October 23, 2020 (the “**Original Purchase Agreement**”); and
 - (b) the amended and restated plan of arrangement of Mantle, JMB and 216 dated March 3, 2021 (the “**Amended Plan**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) and the *British Columbia Business Corporations Act*, SBC 2002, c 57, as amended (the “**BC BCA**”), which amends and restates a plan of arrangement of Mantle and JMB under the CCAA and BC BCA (the “**Original Plan**”).

Relief Requested

6. The CCAA Applicants, Mantle and ResidualCo seek the following Orders in the within Application (collectively, the “**Amended Transaction Orders**”):
 - (a) an Order (the “**Amended SAVO**”) approving the Amended Purchase Agreement, amending and restating the Original SAVO (as defined in paragraph 20(b) of this Affidavit), and vesting in Mantle the right, title and interest of JMB and 216 in the Acquired Assets;
 - (b) an Order (the “**Amended RVO**”):
 - (i) amending and restating the Original RVO (as defined in paragraph 20(a) of this Affidavit”);
 - (ii) adding ResidualCo as an applicant in the CCAA Proceedings;
 - (iii) declaring pursuant to subsections 11.1(3) and (4) of the CCAA that section 11.1(2) of the CCAA does not apply in respect of the AEP Payment Arrears (as defined in the Amended RVO);
 - (iv) vesting and transferring Excluded ResidualCo Assets and Excluded Liabilities (as such terms are defined in the Amended RVO) in ResidualCo, deems ResidualCo to have assumed the Excluded ResidualCo Assets, and declares that the Excluded ResidualCo Assets cease to be debts and liabilities of JMB and 216;
 - (v) confirming certain relief provided in respect of the Original RVO with respect to PMSI Holders (as defined in paragraph 13(b) of this Affidavit) and in respect of Fiera Eastside Equipment (as defined in the Amended RVO);
 - (c) an Order (the “**Amended Assignment Order**”) amending and restating the Original Assignment Order (as defined in paragraph 22 of this Affidavit) and assigning certain agreements to Mantle;

- (d) an Order (the “**Amended Sanction Order**”) amending and restating the Original Sanction Order (as defined in paragraph 22 of this Affidavit) and sanctioning and approving the Amended Plan; and
 - (e) such further and other relief as counsel may request and this Honourable Court may deem just.
7. The Amended Purchase Agreement changes structural elements of the transactions contemplated by the Original Purchase Agreement (the transactions under the Original Purchase Agreement being the “**Original Transactions**” and the revised transactions being the “**Amended Transactions**”) in order to over-come certain obstacles to completing the Original Transactions while keeping intact the substantive characteristics of the Original Transactions.

Background

8. The background to these proceedings is set out in the Affidavits sworn by Jeff Buck on April 16 and April 30, 2020, and my prior Affidavits sworn in these proceedings, specifically my Affidavit sworn September 30, 2020.
9. RLH was founded in 1998 to acquire agricultural, timber, mining, ecological and water anchored real estate assets in the United States and Canada. To date, RLH has invested through the vehicles of two separately funded entities and five private real estate funds. RLH has raised in excess of USD \$800.0 million of equity commitments and is currently investing Resource Land Fund V, LP (“**RLF**”) with equity commitments of nearly USD \$275 million. I am a Principal with RLH and joined the firm in 2006. RLF made its initial investment in JMB on November 21, 2018 through its wholly owned subsidiary, Canada Aggregate Resource Corporation (“**CARC**”), which is a corporation incorporated under the laws of the State of Delaware.
10. JMB and its corporate predecessors by amalgamation and continuance have carried on the aggregate extraction and processing business in Alberta for over three decades. Since November 21, 2018, JMB has been controlled by CARC. Jeff Buck, whose family had

formed the business and who remained the President of JMB until his resignation in June of 2020, retained a minority interest through J Buck and Sons Inc. (“**JBAS**”).

11. After November of 2018, JMB was continued under the BC BCA and has three classes of common shares, namely Class A Common Shares, Class B Common Shares and Class C Common Shares. Currently, 51,513 Class A Common Shares are issued and outstanding in favour of CARC and 2,926 Class B Common Shares are issued and outstanding in favour of JBAS. Each such share has one vote, and therefore CARC has approximately 94.6% voting control of JMB.
12. JMB owns all of the shares in 216, Eastside Rock Products Inc. (“**Eastside**”) and ResidualCo. 216 and ResidualCo are incorporated under the laws of Alberta and Eastside is incorporated under the laws of the State of Washington.
13. The secured creditors of JMB and 216 consist of the following:
 - (a) ATB Financial (“**ATB**”), with prior ranking security over inventory, accounts receivable and a parcel of real property;
 - (b) equipment lessors and holders of purchase money security interests in certain specific vehicles and equipment of JMB (the “**PMSI Holders**”); and
 - (c) Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. (“**Fund VI**”) and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI (collectively, “**Fiera**”), which holds prior ranking security in all other assets of JMB and 216.
14. As previously outlined in my affidavit sworn September 30, 2020, JMB’s business was concentrated in providing gravel and other aggregates to the oil and gas industry, the construction industry and governments building and maintaining infrastructure. The severe downturn in the oil and gas industry starting in 2015 led to a contraction of that business and resulted in JMB suffering a sustained working capital shortfall. The delay or

cancellation of projects by the oil and gas industry and the economic fall out of the COVID 19 health measures rendered JMB's financial situation unsustainable.

15. In order to give JMB and 216 sufficient time to either restructure or sell their business and assets, in late April of 2020, JMB and 216 filed an application for protection under CCAA and on May 1, 2020 (the "**Filing Date**"), the Honourable Justice K.M. Eidsvik pronounced an order appointing FTI Consulting Canada Inc. as monitor of JMB and 216 and staying proceedings against JMB and 216 for a ten day period. On May 11, 2020, Justice K.M. Eidsvik pronounced an order amending and restating the initial order (the initial order, as amended and restated, being the "**Initial Order**", and the proceedings commenced thereby, the "**CCAA Proceedings**") extending the stay of proceedings to July 31, 2020 (the "**Stay Period**"), approving a sale and investment solicitation process (the "**SISP**") under the supervision and control of the Monitor and appointing Sequeira Partners as sale advisor (the "**Sale Advisor**").
16. The stay of proceedings has been extended pursuant to orders granted by this Honourable Court and is currently set to expire on March 12, 2021.

Original Purchase Agreement

17. Given the economic conditions in the Spring of 2020, I was concerned that the SISP would not lead to any acceptable bids to invest in JMB or to purchase JMB's business and assets. For this reason, RLF in consultation with Fiera determined that in order to protect its investment and the interests of the principal stakeholders, it would submit a reserve bid in the SISP. In order to protect the integrity and independence of the SISP, from inception it was subject to the supervision and control of the Monitor, and the information available to management of RLF, CARC and JMB with respect to the marketing and bids submitted under the SISP was limited.
18. RLF caused Mantle to be incorporated under the BC BCA as a wholly owned subsidiary and on September 28, 2020, JMB, 216 and Mantle entered into the Original Purchase Agreement.

19. In order for an economically viable and appropriately capitalized business to emerge from the CCAA Proceedings, it was critical that:
- (a) RLF acquire and preserve the valuable paid up capital associated with CARC's Class A Common Shares (the "PUC");
 - (b) Mantle directly or indirectly acquire core assets of JMB and 216 without the burden of uneconomic assets and unsustainable liabilities; and
 - (c) ATB and Fiera provide partial financing of the acquisition by allowing a portion of the purchase price to be paid through the assumption in part of the indebtedness owed to them.

The Original Purchase Agreement was structured to accomplish this through a complex set of transactions making up the Original Transactions.

20. As described in my Affidavit sworn September 30, 2020, the outcome of the SISF had demonstrated that in the current economic conditions, JMB and 216's assets had insufficient value to fully repay the senior secured creditors or to support a plan of compromise and arrangement in favour of both secured and unsecured creditors under the CCAA. As such, under the Original Transactions:
- (a) a reverse vesting order (the "**Original RVO**") was to have vested all assets and liabilities of JMB that were excluded from the Original Transactions in 216, and 216 was deemed to assume those excluded liabilities, but subject to any encumbrances they were currently subject to, with the effect that JMB would become solvent and emerge from the CCAA Proceedings;
 - (b) a sale approval and vesting order (the "**Original SAVO**") was to vest in Mantle the core assets of JMB and 216, free and clear of all encumbrances;
 - (c) under the Original Plan, Mantle was to assume a portion of the indebtedness owed to ATB and Fiera, the Class A Common Shares of CARC in JMB were to be transferred for no consideration to RLF, the Class B Common Shares of JBAS were redeemed for no consideration and cancelled, and all Class B Common Shares,

Class C Common Shares and any other securities issued by JMB were to be cancelled.

21. Following the completion of the Original Transactions, it was anticipated that Mantle and JMB would amalgamate.

October Applications to Approve the Original Transactions

22. On October 1, 2020, the Monitor applied for the Original SAVO and Original RVO, and JMB and 216 applied for an assignment order under section 11.3 of the CCAA (the “**Original Assignment Order**”) and an order sanctioning the Original Plan (the “**Original Sanction Order**”, which applications of the Monitor, JMB and 216 are collectively referred to as the “**Original Transaction Applications**”). I am advised by Tom Cumming, counsel for the CCAA Applicants, and believe that counsel from Alberta Justice, acting for Alberta Environment and Parks (the “**AEP**”), requested an adjournment in order to seek instructions from the AEP with respect to the Original Transaction Applications, which the Monitor, JMB and 216 agreed to. Therefore, on October 1, 2020, Justice Eidsvik granted an Order approving the Original Purchase Agreement and the Original Transactions and adjourning the remainder of the requested relief to October 16, 2020. Ultimately, counsel for the AEP, the Monitor, the CCAA Applicants and Mantle were able to agree upon the form of the Original SAVO and Original RVO.
23. On October 16, 2020, Justice Eidsvik granted the Original SAVO, the Original RVO, the Original Assignment Order and the Original Sanction Order (collectively, the “**Original Transaction Orders**”).

The Business and Assets of JMB and 216

24. The core business of JMB and 216 depended upon their interest in and access to aggregate pits located on both public Crown lands and privately owned lands across Alberta. The interests held by JMB and 216 in public lands were pursuant to dispositions granted by the AEP (which are defined in the Amended Purchase Agreement as “**Dispositions**”) pursuant to the *Public Lands Act*, RSA 2000, c P-4 and the regulations thereunder (collectively, the “**PLA**”). These Dispositions consist principally of surface material leases (“**SMLs**”) but

also include departmental licences of occupation (“**DLOs**”), surface material exploration dispositions (“**SMEs**”) and commercial/industrial miscellaneous leases (“**DMLs**”).

25. JMB also has access to privately owned lands, and to SMLs held by other parties, pursuant to aggregate royalty agreements (“**Royalty Agreements**”) with landowners and Disposition Holders. The extraction and processing of aggregate from privately owned lands is a regulated activity and requires that each aggregate pit operator hold for each land holding it operates on a registration under the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12, the *Conservation and Reclamation Regulation*, AR 115/93 and the other regulations and instruments issued thereunder pertaining to aggregate pits, including the *Code of Practice for Pits* (collectively, the “**EPEA**”, and such registration, the “**EPEA Registration**”).
26. Attached to this Affidavit as **Exhibit “A”** is a list of the Dispositions and Royalty Agreements which are held directly by JMB or 216, together with Dispositions held by third parties with whom JMB had Royalty Agreements giving access to aggregate pits.
27. The Dispositions, Royalty Agreements and other property and assets of JMB and 216 consist principally of the following:
 - (a) 216 holds eleven (11) SMLs;
 - (b) 216 holds one (1) DLO, which is associated with one of the SMLs;
 - (c) JMB holds three (3) SMLs together with two (2) SMEs and one (1) commercial/industrial miscellaneous lease DML;
 - (d) JMB is or was party to seven (7) Royalty Agreements with private land owners in respect of active aggregate pits in respect of which it holds the associated EPEA Registrations;
 - (e) JMB had access to approximately twenty-five (25) aggregate pits on public lands pursuant to a sand & gravel operating agreement made as of June 12, 2012 between JMB and the holders of the SMLs (Tim Kalinski, Jessica Brennan, Matthew Kalinski, Zachariah Kalinski, Elisha Kalinski and Kalinko Enterprises Ltd.,

collectively referred to herein as the “**Kalinko Parties**”) and JMB, as amended by agreement revision number 1 dated June 12, 2017 (the “**Kalinko Agreement**”). The Kalinko Parties issued a notice terminating the Kalinko Agreement in April 2019;

- (f) JMB has a Royalty Agreement with a private landowner where no activities have commenced and no EPEA Registration has been obtained (the “**Undeveloped Royalty Agreement**”);
- (g) JMB has shares in 1386194 Alberta Ltd. (the “**Atlas Shares**”), which holds an SML for a pit in Crow Lake, which shares constitute a minority interest, and formerly had a Royalty Agreement with that company (the “**Crow Lake Agreement**”) which expired on September 30, 2020;
- (h) JMB and Lafarge Canada Inc. (“**Lafarge**”) are parties a Royalty Agreement giving JMB access to an SML held by Lafarge, and a Royalty Agreement giving JMB access to private land owned by Lafarge where Lafarge holds the EPEA Registration;
- (i) JMB owns two parcels of real property, one of which is excluded (the “**Excluded Real Property**”) and the other of which could developed as a pit (the “**Included Real Property**”);
- (j) JMB owns equipment against which Fiera has first ranking security (the “**Fiera Equipment**”) and owns or leases equipment against which the PMSI Holders have first ranking security (the “**PMSI Equipment**”);
- (k) JMB formerly leased an office in Edmonton (the “**Edmonton Lease**”), which has continued on a month to month basis, and leases an office, shop and yard in Bonnyville, Alberta (the “**Bonnyville Lease**”);
- (l) JMB has two customer Contracts, the first being with the Municipal District of Bonnyville No. 87 (the “**MD of Bonnyville**”, and its Contract, the “**Bonnyville**”);

Supply Contract”), and the second being with Cenovus Energy Inc. (the “**Cenovus Contract**”); and

(m) JMB continues to be owed certain accounts receivable (the “**Accounts Receivable**”).

28. Under the Original Transactions, Mantle was to acquire the following:

(a) ten (10) out of eleven (11) of 216’s SMLs (the “**Included 216 Dispositions**”);

(b) three (3) out of seven (7) of the royalty agreements with private landowners (the “**Included Royalty Agreements**”) and the associated EPEA Registrations, together with the Undeveloped Royalty Agreement and the Royalty Agreements with Lafarge;

(c) the Atlas Shares;

(d) the Included Real Property;

(e) the Fiera Equipment, other than the Fiera Equipment being disposed of during and following the SISP;

(f) the Bonnyville Lease, the Bonnyville Supply Contract and the Cenovus Contract; and

(g) certain miscellaneous assets.

29. The remainder of the assets of JMB and 216 were excluded from the Original Transactions and were to be dealt with as follows:

(a) certain equipment was sold through or following the SISP;

(b) the PMSI Holders were directed under the Original RVO to take possession of and sell the PMSI Property and account to the estate for the proceeds thereof;

(c) two Dispositions held by 216 (the “**Excluded 216 Dispositions**”) were to be retained by 216;

- (d) four of the seven Royalty Agreements with private landowners and associated EPEA Registrations were to be vested in 216 (the “**Excluded Royalty Agreements**”);
 - (e) the Dispositions held by JMB (the “**Excluded JMB Dispositions**”) were to be vested in 216;
 - (f) the termination of the Kalinko Agreement and the Crow Lake Agreement was, for greater certainty, to be confirmed under section 32 of the CCAA by way of a disclaimer; and
 - (g) the Edmonton Lease was to be disclaimed.
30. An operator must provide security to the AEP for the costs of reclaiming the lands on which aggregate pit operations are carried out pursuant to the PLA, where the operator holds a Disposition, and under the EPEA, where the operator holds the EPEA Registration. The security can be in the form of letters of credit, certificates of deposit, cash or even environmental trusts. JMB and 216 had provided the following security to the AEP:
- (a) 216 had provided eleven (11) letters of credit issued by Canadian Western Bank (the “**CWB LCs**”) in respect of its Dispositions in the aggregate amount of \$541,150, which CWB LCs secured estimated reclamation liabilities in the aggregate amount of \$330,158;
 - (b) JMB had provided to the AEP seven separate bonds (the “**Northbridge Bonds**”) issued by Northbridge General Insurance Corporation (“**Northbridge**”) in the aggregate amount of \$504,328, which secured reclamation obligations in the range of approximately \$540,463 to \$652,263. For reasons that remain unclear, the AEP permitted all but one of the Northbridge Bonds to expire (five expired on March 9, 2020 and one expired on November 13, 2020) without demanding payment thereunder. The AEP made demand on one Northbridge Bond in the amount of amount of \$50,442, which relates to the Buksa Royalty Agreement described in paragraph 48(g) of this Affidavit (the “**Buksa Bond**”), but Northbridge has yet to make payment thereunder; and

- (c) JMB provided cash security to the AEP to secure the reclamation obligations in respect of its Dispositions in the aggregate amount of \$51,406, which secured reclamation obligations in the approximate amount of \$56,866.
- 31. To summarize, primarily as a result of the AEP permitting six of the Northbridge Bonds to expire and the failure of Northbridge to pay out under the Buksa Bond, the aggregate amount of security provided to the AEP by JMB and 216 is \$598,016, and the estimated aggregate reclamation obligations are \$1,033,827, leaving a deficiency of \$435,810.
- 32. As the holders of the underlying SMLs, the Kalinko Parties were responsible for providing security to the AEP under the Kalinko Agreement. The Kalinko Parties terminated the Kalinko Agreement in or about April 2019 and as such, JMB has been denied access to the aggregate pits formerly subject thereto.
- 33. Under the SML held by 1386194 Alberta Ltd., in which JMB holds the minority Atlas Shares and in respect of which JMB held the expired Crow Lake Agreement, the estimated reclamation obligations are \$267,178, for which 1386194 Alberta Ltd. is directly responsible as the SML holder.
- 34. Under the Original Transactions, Mantle was to assume responsibility for reclamation obligations in the amount of \$608,863 and replace the security for the three Royalty Agreements it was purchasing, leaving security in the amount of \$51,406 for reclamation obligations in the amount of \$288,759.

Discussions with the AEP

- 35. The EPEA and PLA required that the consent of the AEP be obtained with respect to any assignment of Dispositions or EPEA Registrations. RLF had hoped that the AEP would consent to the assignment of 216's Dispositions and the EPEA Registrations relating to the three Royalty Agreements on the basis that:
 - (a) the AEP could have prevented any deficiency simply by demanding under the six Northbridge Bonds prior to their expiry;

- (b) as a result of the Original Transactions, the security deficiency for the excluded assets (namely, \$288,759) was significantly less than the deficiency that would exist if the Original Transactions were not available (namely, \$435,810);
 - (c) there was no alternative going concern transaction under which it would be left with no security deficiency; and
 - (d) the Original Transactions provided the only option for the survival of the business.
36. Following the issuance of the Original Transaction Orders on October 16, 2020, Mantle and JMB began discussions with the AEP on obtaining the AEP's approval for the following assignments and transfers:
- (a) the assignment by 216 to Mantle of the Included 216 Dispositions;
 - (b) the assignment by JMB to 216 of Excluded JMB Dispositions;
 - (c) the transfer by JMB to Mantle of the EPEA Registrations relating to the Included Royalty Agreements; and
 - (d) the transfer by JMB to 216 of the EPEA Registrations relating to the Excluded Royalty Agreements.
37. Multiple extended discussions occurred in the period between October 16, 2020 and the beginning of February 2021, during which different proposals were submitted to the AEP in an attempt to secure either the required approvals or a commitment to provide the required approvals. Attached as **Exhibits "B" and "C"** are copies of that correspondence, including a letter dated November 27, 2020 (the "**November 27 Letter**"), a draft reclamation obligations agreement (the "**ROA**") sent by email dated January 22, 2021 and a letter dated February 8, 2021 (the "**February 8 Letter**").
38. I have been advised by Mr. Cumming and believe that the impediments to obtaining the approval of the AEP are as follows:

- (a) The AEP will not entertain the applications until all compliance issues have been resolved. However, as described below, resolving those compliance issues will require both time and funding, which would only be available if the Original Acquisition Transactions are completed;
 - (b) The most significant compliance issue relates to the Northbridge Bonds that expired without demand being made. The lost security amounts to \$453,886. As indicated above, demand was made under the Buksa Bond in the amount of \$50,442, but Northbridge has not made payment;
 - (c) Certain pits have disturbances outside the activity plans, and therefore updated activity plans were required. Other pits have small bodies of water, but permits for these bodies of water have not been obtained under the *Water Act*, RSA 2000, c W-3. Also, in some pits, JMB had not been reclaiming areas from which aggregate had been extracted in the ordinary course; and
 - (d) Under 216's SMLs, rents and royalties payable to the AEP accrued in the period prior to the commencement of the CCAA Proceedings but remain unpaid (the "**AEP Payment Arrears**"). These amounts represent a rental for the rights to carry out the activities permitted under the SMLs, and royalties payable to the AEP from the removal of aggregate from the lands. The total amount of the 2019 and 2020 AEP Payment Arrears, which total is estimated to be \$250,292, is set out on the table attached to this Affidavit as **Exhibit "D"**. Although these are unsecured obligations, it was initially anticipated that Mantle would pay these amounts immediately after closing.
39. Notably, the AEP continues to require that all non-compliances be cured before it considers the applications to assign and transfer the Dispositions and EPEA Registrations. It therefore would retain unfettered discretion to reject the applications for approval of such assignments and transfers even if all of the non-compliances are rectified. RLF is not willing to commit the funds necessary to rectify any of the non-compliances in absence of a commitment from the AEP that it will approve the assignment and transfers if the non-compliances are rectified.

40. In order to bridge the gap between the position of the AEP and Mantle, Mantle made a number of proposals:
- (a) In the November 27 Letter, Mantle proposed, among other things, the following:
 - (i) Mantle would fund JMB to post the reclamation security by 216 of the lands subject to the Excluded 216 Dispositions and Excluded JMB Dispositions, but the Excluded 216 Dispositions and Excluded JMB Dispositions would continue to be in 216;
 - (ii) Mantle would fund the reclamation by 216 of the lands subject to the Excluded 216 Dispositions and Excluded JMB Dispositions; and
 - (iii) Mantle would fund the payment of the AEP Payment Arrears;
 - (b) In the draft ROA, which was provided to the AEP on January 21, 2021, Mantle proposed as follows:
 - (i) all of the Excluded JMB Dispositions would be vested in Mantle, and Mantle would perform the reclamation work required for the lands subject to these Dispositions;
 - (ii) Mantle would sell an SML and DLO held by 216 (SML 060060 and DLO 170011) that had previously been the Excluded 216 Dispositions to an operator acceptable to the AEP;
 - (iii) the AEP would hold as cash security the amounts paid out under the Buksa Bond, and Mantle would replace the Northbridge Bonds with new security relating to the other two Included Royalty Agreements;
 - (iv) Mantle, ATB and Fiera would bear three quarters of the economic burden of the expired Northbridge Bonds relating to the Excluded Royalty Agreements, contributing that amount as cash security to be held in trust by the AEP, provided that the AEP bear one quarter of the economic burden,

and Mantle would manage the reclamation of the lands subject to the Excluded Royalty Agreements up to the amount held in trust;

- (v) once the funds in trust were exhausted, Mantle's obligations with respect to the lands subject to the Excluded Royalty Agreements would be at an end;
 - (vi) the AEP would consent to the assignment of SML 060060 and DLO 170011 and the return of the CWB LC relating thereto; and
 - (vii) only 50% of the AEP Payment Arrears would be paid by Mantle.
- (c) Finally, in the February 8 Letter, Mantle proposed the following:
- (i) although the Excluded Royalty Agreements would continue to be vested in 216, Mantle, ATB and Fiera would accept 100% of the economic burden of replacing that security, and the AEP would bear none of the burden;
 - (ii) the security held in trust by the AEP would be used to defray the costs of managing the reclamation of the lands subject to the Excluded Royalty Agreements; and
 - (iii) in all other respects, the proposal would be as set out in the ROA.

41. None of the proposals to the AEP summarized above was accepted by the AEP, and the AEP would not commit to approving the assignments of the Dispositions and the transfers of the EPEA Registrations if the non-compliances were not resolved. In a letter dated February 23, 2021 from the AEP, the AEP simply reiterated the requirement.

42. In late January, 2021, JMB and Mantle advised the AEP that there was renewed urgency in completing the Original Transactions. In order to satisfy JMB's obligations under the Bonnyville Supply Contract with the MD of Bonnyville, operations had to commence before a seasonal road closure was implemented, which was estimated to occur on March 1, 2021. This date was significant because the MD of Bonnyville had advised that it required a significant portion of the aggregate for the 2021 calendar year be delivered by May 1, 2021. In recent weeks, Mantle was able to secure an extension of that deadline.

However, prior to the deadline being extended, the AEP did not indicate whether or not it would agree to the most recent proposal.

43. In recent weeks, JMB and Mantle have had discussions with the group at the AEP responsible for aggregate pits on privately owned lands. Attached as **Exhibits “E”** and **“F”** are copies of letters from that group requiring plans be submitted for rectifying non-compliances.
44. JMB has submitted activity and/or reclamation plans to the AEP in order to rectify each of the outstanding non-compliances and proposed time lines. The plans are set out in the following letters:
 - (a) a letter dated February 24, 2021 from JMB to AEP setting out a written plan for rectifying non-compliances and the relevant timelines for the pits located on private lands having EPEA Registration numbers 15048-03-02 (Buksa), 17395-01-00 (Havener), 306490-00-00 (Kucy), 293051-00-00 (MacDonald), 149949-00-00 (Megley) and 263318-00-00 (O’Kane);
 - (b) a letter dated February 24, 2021 from JMB to AEP setting out a written plan for rectifying non-compliances and the relevant timelines for the pits located on private lands having EPEA Registration number 308161-00-00 (Shankowski);
 - (c) a letter dated February 26, 2021 from JMB to AEP setting out a written plan for rectifying non-compliances and the relevant timelines for the pits subject to SML 060060; and
 - (d) an February 26, 2021 from JMB to AEP setting out a written plan for rectifying non-compliances and the relevant timelines for the pits subject to SML 930040, SML 980116 and SML 120027.

Attached hereto and marked as **Exhibits “G”, “H”, “I”** and **“J”** are copies of the written plans.

45. Fundamentally, while the AEP has shown a willingness to discuss timing for addressing non-compliances, its position that all non-compliances must be rectified before any

applications to approve the assignments of the Dispositions and the transfers of the EPEA Registrations would be entertained has not changed since October of 2020.

Amended and Restated Purchase Agreement and Amended Plan

46. In early February of 2021, it became obvious that it was unlikely that the AEP would agree to entertain applications to transfer Dispositions and EPEA Registrations before the non-compliances were resolved. It was not an acceptable option to RLF to fund any amounts towards rectifying non-compliances unless it had confidence that the Dispositions and EPEA Registrations presently in 216 and JMB remained in place. By the same token, ATB and Fiera have advised that they also are not willing to fund the security deficiency absent assurances that the Dispositions and EPEA Registrations would remain in place.
47. In order to permit the acquisition of the business and core assets of JMB and 216 to proceed, to avoid the significant additional losses that would be suffered by all of the stakeholders if it did not, including the employees of JMB who are to continue with Mantle, the customers of JMB, ATB and Fiera, and to avoid the Alberta public becoming responsible for the entire security deficiency with respect to the Reclamation Obligations, Mantle proposed significant revisions to the Original Transactions (such revised transactions being the “**Amended Transactions**”).
48. Under the Amended Transactions, the parties ultimately holding the Transaction Assets, which are included in and form part of the acquisition, and the Excluded ResidualCo Assets and Excluded Disposed Assets, changes. Attached as **Exhibit “K”** to this Affidavit is a chart illustrating which parties will end up holding these assets. In summary, the Amended Transactions under the Amended Purchase Agreement provide as follows:
 - (a) Like JMB, 216 is to be restored to solvency through the Amended RVO and both JMB and 216 would emerge from the CCAA Proceedings as solvent indirect subsidiaries of RLF;
 - (b) The Amended RVO would provide that:

- (i) 216 retain both the Included 216 Dispositions, the Excluded 216 Dispositions, the Permits associated therewith and any Inventory located thereon, but free and clear of any Encumbrances other than Permitted Encumbrances; and
 - (ii) JMB retain all of the Excluded JMB Dispositions, all EPEA Registrations, and Permits, Inventory, Fiera Equipment and other JMB Equipment, and the Bonnyville Supply Contract together with certain other Contracts free and clear of any Encumbrances other than Permitted Encumbrances;
- (c) The Amended SAVO would vest the Included Royalty Agreements, Excluded Royalty Agreements, the Atlas Shares, the goodwill and business, the intellectual property, certain causes of action, the books and records and certain other miscellaneous assets in Mantle free and clear of any Encumbrances other than Permitted Encumbrances;
- (d) 216 would remain responsible for reclaiming all lands subject to Included 216 Dispositions and Excluded 216 Dispositions;
- (e) JMB would remain responsible for reclaiming all lands subject to the Excluded JMB Dispositions, the Included Royalty Agreements and the Excluded Royalty Agreements, provided that with respect to an Excluded Royalty Agreement, if the Landowner denies access to JMB to perform reclamation work, and the AEP is unable to secure such access, JMB's reclamation obligations will be limited to providing security to the AEP with respect to that Excluded Royalty Agreement;
- (f) The Excluded Royalty Agreements would be vested in ResidualCo, but subject to an access agreement between ResidualCo and JMB that would permit JMB to access the lands subject to the Excluded Royalty Agreements to perform reclamation work and sell any Inventory of JMB located there;
- (g) The Royalty Agreement dated December 31, 2018 (the "**Buksa Royalty Agreement**") between JMB and 302016 Alberta Limited, care of Rose Short, relating to the Aggregate Pit located at NE-24-56-7-W4 and in respect of which

JMB holds JMB EPEA Registration no. 15048-03-02, which had been an Included Royalty Agreement, was determined by Mantle to be uneconomic and has therefore now been designated as an Excluded Royalty Agreement;

- (h) Mantle, ATB and Fiera would fund the replacement of the reclamation security for the lands subject to the Excluded Royalty Agreements, but in the case of the Buksa Royalty Agreement, if Northbridge ultimately makes payment under the Buksa Bond, the security paid by Mantle, ATB and Fiera that replaced the Buksa Bond would be returned;
- (i) Mantle would provide replacement security for the reclamation obligations relating to the lands subject to the Included Royalty Agreements;
- (j) JMB and 216 would carry out the reclamation work in accordance with the Reclamation Plans approved by the AEP and would resolve the non-compliances in accordance with activity plans approved by the AEP;
- (k) With the exception of the reclamation obligations in respect of JMB's and 216's Dispositions and EPEA Registrations that are being retained, all other Liabilities that are not expressly assumed or retained will be vested in ResidualCo pursuant to the Amended RVO and cease to be debtors or liabilities of JMB and 216. A list of the liquidated, invoiced Liabilities of JMB and 216 is set out on Schedule J to the Amended Purchase Agreement;
- (l) Under the Amended Purchase Agreement, the following assets (defined in the Amended Purchase Agreement as "**Excluded ResidualCo Assets**") are excluded and are to be vested in ResidualCo pursuant to the Amended RVO:
 - (i) the Inactive Royalty Agreements, provided that, as described above, ResidualCo and JMB would enter into an agreement pursuant to which JMB would have access to the lands subject to the Inactive Royalty Agreement for the purposes of reclaiming those lands, and in any event, JMB would retain the EPEA Registration pertaining to those lands;

- (ii) the Excluded Inventory (as defined in the Amended Purchase Agreement), which is aggregate inventory that either appears to be owned by third parties, or that is located on lands formerly subject to the Kalinko Agreement and subject to a dispute relating to ownership between the estate of JMB and the Kalinko Parties. Any amounts realized from the latter dispute would be subject to the security in favour of ATB;
 - (iii) the Accounts Receivable (as such term is defined in the Amended Purchase Agreement), which will remain subject to ATB's prior ranking security;
 - (iv) the Excluded Real Property (as defined in the Amended Purchase Agreement), which is the site of a pit that has not operated since 2006;
 - (v) any Contracts that are not expressly assigned to Mantle or retained by JMB or 216 that have not yet been disclaimed under section 32 of the CCAA; and
 - (vi) certain other miscellaneous assets;
- (m) Also excluded from the Amended Transactions are the “**Excluded Disposed Assets**”, which are assets that were sold to other parties during the CCAA Proceedings as part of the SISP process or otherwise, and Contracts that have been disclaimed by JMB under section 32 of the CCAA.
49. The net effect of the changes to the Original Transactions set out in the Amended Purchase Agreement and Amended Plan address the regulatory impediments to Closing described above:
- (a) the Amended Transactions do not require the consent of the AEP because JMB and 216 will retain all of their Dispositions and EPEA Registrations, including the Excluded 216 Dispositions, the Excluded JMB Dispositions, and the EPEA Registrations relating to the Excluded Royalty Agreements;
 - (b) all of the expired Northbridge Bonds will be replaced by new security;

- (c) JMB and 216 will reclaim the lands subject to the Excluded 216 Dispositions, the Excluded JMB Dispositions and the Excluded Royalty Agreements in accordance with Reclamation Plans approved by the AEP; and
 - (d) all non-compliances with respect to Included 216 Dispositions and the EPEA Registrations subject to the Included Royalty Agreements will be brought into good standing in accordance with activity plans approved by the AEP.
50. A redacted copy of the Amended Purchase Agreement is attached hereto as **Exhibit "L"**. In addition to the matters summarized in paragraph 48 of this Affidavit, the Amended Purchase Agreement contemplates the following additional elements:
- (a) The Purchase Price (as defined in the Amended Purchase Agreement) has been reduced to reflect that under the Amended Transactions, only those Transaction Assets that are defined as Acquired Assets (as those terms are defined in the Amended Purchase Agreement) are being conveyed to Mantle pursuant to the Amended RVO. The remainder of the Transaction Assets are retained in JMB and 216. Therefore, Schedule A to the Amended Purchase Agreement has been revised to allocate between Acquired Assets that are being transferred to Mantle and the remainder of the Transaction Assets that are being retained;
 - (b) The Amended Purchase Agreement is conditional upon the following principal conditions:
 - (i) the Amended SAVO, Amended RVO, Amended Assignment Order and the Amended Sanction Order have been issued; and
 - (ii) payment to the Monitor of the cash portion of the Purchase Price has been made; and
 - (c) The Amended Purchase Agreement may be terminated by either party if the Amended Transactions do not close on or before March 10, 2021.

Amended SAVO

51. The proposed form of the Amended SAVO has not substantively changed from the Original SAVO, other than as described below. The Amended SAVO approves the Amended Purchase Agreement and the Amended Transactions and vests the Acquired Assets in Mantle free and clear of any Encumbrances other than Permitted Encumbrances. The substantive changes from the Original SAVO include the following:
- (a) the scope of the Acquired Assets has been reduced because the Included 216 Dispositions and 216's Inventory remain in 216, and the JMB Equipment, JMB's Inventory, the EPEA Registrations, the JMB Real Property, the Bonnyville Supply Contract and Cenovus Contract remain in JMB.
 - (b) the provisions included in the Original SAVO addressing consent by the AEP have been deleted as that is no longer necessary.

Amended RVO

52. The proposed form of the Amended RVO contains a number of substantive changes from the Original RVO. Under paragraph 4 of the Amended RVO:
- (a) JMB retains all of its right, title and interest in the JMB Retained Assets (as such term is defined in the Amended RVO and Amended Purchase Agreement), but free and clear of all Encumbrances other than Permitted Encumbrances;
 - (b) 216 retains all of its right, title and interest in the 216 Retained Assets (as such term is defined in the Amended RVO and Amended Purchase Agreement), but free and clear of all Encumbrances other than Permitted Encumbrances;
 - (c) all of the right, title and interest of JMB and 216 in the Excluded ResidualCo Assets vests in ResidualCo, but subject to all Encumbrances;
 - (d) the Excluded Liabilities are transferred to and vest absolutely in ResidualCo and ResidualCo is deemed to have assumed and become liable for the Excluded Liabilities, and cease to be debts or liabilities of JMB or 216;

- (e) the Excluded Creditors (being, pursuant to the Amended RVO, any Person to whom Excluded Liabilities are owed) are barred from taking any proceedings or exercising any remedy against JMB or 216; and
 - (f) the Amended RVO does not otherwise alter the nature or priority of any Excluded Liability or any Encumbrance securing such Excluded Liability.
53. As was the case in the Original RVO, Liabilities owed to JMB are preserved by paragraph 9 of the Amended RVO.
54. Because the Original RVO vested the Excluded Assets and Excluded Liabilities in 216, the Original RVO had created “silos” under which 216 held Excluded Assets in trust for creditors of JMB which were Excluded Creditors, and held its assets that were not vested in Mantle in trust for its creditors. Because ResidualCo is a newly created corporation, it has no prior creditors, but under paragraph 10, to the extent that the vesting in ResidualCo of the Excluded ResidualCo Assets and Excluded Liabilities would result in changes to the *pro rata* entitlement of creditors of JMB versus the creditors of 216, ResidualCo would hold the Excluded ResidualCo Assets vested from JMB in trust for the creditors of JMB, and would hold the Excluded ResidualCo Assets vested from 216 in trust for the creditors of 216. In this way, the Amended RVO should not affect the rights of those creditors.
55. Paragraph 13 of the Amended RVO confirms the treatment of the Fiera Eastside Equipment, and paragraph 14 confirms the treatment of the PMSI Holders and the PMSI Property, which has not changed from the Original RVO.

Section 11.1 Relief Contained in the Amended RVO

56. I am advised by counsel that under section 11.1(2) of the CCAA, a stay of proceedings under the CCAA does not affect enforcement actions by a regulatory body unless such actions relate to the enforcement of a payment obligations, unless the Court makes an Order under section 11.1(3) of the CCAA. I am further advised that a Court will only make an Order under section 11.3(3) if a viable compromise or arrangement could not otherwise be made and such an Order is not contrary to the public interest.

57. I further advised that section 11.1 distinguishes between obligations that are regulatory in nature such as environmental reclamation obligations, which are not subject to compromise under the CCAA, and monetary debts that are subject to compromise. The Amended Transactions were therefore structured to distinguish between:
- (a) regulatory obligations, including the obligation to reclaim aggregate pits, the obligation to provide security to the AEP for reclamation obligations in respect of aggregate pits, and the obligation to comply with the requirements in the EPEA and PLA regarding the operation of aggregate pits, versus
 - (b) monetary debt obligations, such as the obligation to pay the AEP Payment Arrears, which as described above, include rentals and royalties under 216's Dispositions.
58. Under the Amended Transactions:
- (a) Mantle, ATB and Fiera will each contribute to replacing the reclamation security required for the lands subject to the Excluded Royalty Agreements;
 - (b) Mantle will fund JMB to replace the reclamation security required for the lands subject to the Included Royalty Agreements;
 - (c) Mantle will fund 216 to maintain and renew the reclamation security under 216's Dispositions and will fund JMB to maintain the reclamation security under JMB's Dispositions;
 - (d) 216 and JMB will file and comply with all activity plans and Reclamation Plans in respect of their respective Dispositions and EPEA Registrations that are required under the PLA and EPEA; and
 - (e) Mantle will fund the reclamation by 216 and JMB of the lands subject to the Excluded 216 Dispositions, the Excluded JMB Dispositions and Excluded Royalty Agreements.
59. The intent of these measures is to ensure that JMB and 216 comply with their respective regulatory obligations under the PLA and EPEA.

60. However, there is insufficient working capital available to fund the payment of the AEP Payment Arrears, given the significant professional costs incurred in these CCAA Proceedings, especially in the extended time period since October 16, 2020 to get to this point, and as a result of the significant revisions to the Original Transactions.
61. I am advised by counsel that the PLA and EPEA permit the AEP, where monetary amounts such as the AEP Payment Arrears are not paid, exercise remedies such as refusing to renew Dispositions, amending the terms and conditions of Dispositions, refuse to issue, mortgage, assign, transfer or sublet Dispositions, collect amounts by distress, refuse any application, or refuse to issue a EPEA Registration.
62. Further, Dispositions provide that the AEP may cancel a Disposition immediately if, in the AEP's opinion, the Disposition Holder is insolvent. The Disposition attached to this Affidavit as **Exhibit "M"** purports to provide that remedy in clause referred to is 018.
63. The ability of the AEP to exercise the remedies described above in paragraphs 61 and 62 as a result of the non-payment of the AEP Payment Arrears presents regulatory and litigation risk that is unacceptable to RLF and Mantle, with the result that:
 - (a) neither Mantle, ATB nor Fiera would advance funds to replace the expired reclamation security; and
 - (b) Mantle would not be willing to complete the Amended Transactions.
64. Based on the forgoing, the Amended RVO includes the following relief, set out in pursuant to section 11.1(3) of the CCAA:
 - (a) declaring that the AEP Payment Arrears are claims for the purposes of section 19(1) of the CCAA and the exercise by the AEP of any rights, remedies, recourses, benefits or interests against 216 or JMB in respect thereof is an enforcement of its rights as a creditor for the purposes of section 11.1(3) of the CCAA;
 - (b) declaring that the AEP Payment Arrears pursuant to paragraphs 4(e) and 4(f) of the Amended RVO are debts and liabilities of ResidualCo to the AEP rather than of

216 or JMB, and that with respect to the AEP Payment Arrears, the AEP is an Excluded Creditor;

- (c) staying as against the AEP of any rights or remedies to enforce the payment by JMB or 216 of the AEP Payment Arrears;
- (d) declaring that provided that JMB and 216 comply with their obligations under the EPEA and PLA (other than to pay the AEP Payment Arrears), the Dispositions, EPEA Registrations and other Permits are and remain in full force and effect unamended, and staying the AEP from exercising remedies as a result of:
 - (i) any event which occurred prior to but does not continue after closing;
 - (ii) JMB and 216 having sought or obtained relief under the CCAA or BC BCA or as part of the Amended Plan;
 - (iii) any default or event of default arising as a result of the financial condition or insolvency of JMB or 216;
 - (iv) the effect upon JMB or 216 of the completion of any of the Amended Transactions; or
 - (v) the vesting in and assumption by ResidualCo of the AEP Payment Arrears and any failure of ResidualCo to pay the AEP Payment Arrears

65. This relief is qualified by the following:

- (a) paragraph 18 of the Amended RVO specifies that paragraph 17 does not permit Mantle, JMB or 216 to carry on any business that they are not lawfully entitled to carry on, affect any investigations, actions, suits or proceedings by the AEP outside the scope of paragraph 17, or except them from their obligation to comply with reclamation plans, the EPEA and PLA; and

- (b) paragraph 19 provides that paragraphs 16 and 17 only become effective when the Monitor confirms the that replacement security for the expired Northbridge Bonds has been delivered to the AEP.
66. Under paragraph 20 of the Amended RVO, if the owner of land subject to an Excluded Royalty Agreement does not allow access by JMB to the land to permit JMB to perform reclamation work, JMB has exercised reasonable efforts to obtain such access, and the AEP is unable to assist in securing such access, then JMB's responsibility for the reclamation obligations in respect of that land shall terminate and the AEP shall terminate the EPEA Registration.
67. Finally, the posting of the replacement reclamation security is declared to be, pursuant to paragraph 21 of the Amended RVO, without prejudice to any cause of action or claim that JMB may have against the AEP for permitting such security to lapse.
68. If the above relief is not provided, it will not be possible to complete the Amended Transactions. I am advised by the Monitor and believe that there is no viable alternative compromise, arrangement or transaction under the SISF or otherwise. Mantle has proposed the Amended Transactions, but they are dependent on the relief set out in paragraphs 15 to 21 of the Amended RVO and will not proceed if that relief is not granted or otherwise assured by the AEP.
69. Moreover, one of the primary aims of the Amended Transactions is to ensure that all of the Reclamation Obligations of JMB and 216 will be met and JMB and 216 will be brought into compliance with their obligations under the EPEA and PLA, the parties are attempting to address the public interest in environmental protection while preserving and restoring employment and JMB's business through the Amended Transactions.

Amended Assignment Order

70. The proposed Amended Assignment Order removes the Northbridge Bonds as Assigned Contracts. It also removes Schedule "B", which was tied to relief to paragraph 18 of the Original Assignment Order and has not proven to be relief that is required.

Amended Plan and Amended Sanction Order

71. The Amended Plan and Amended Sanction Order are substantially the same as the Original Plan and Original Sanction Order, other than the inclusion of 216 as a joint plan applicant with Mantle and JMB. As such, upon Plan Implementation, both JMB and 216 will cease to be applicants in the CCAA Proceedings.
72. The one exception is the inclusion in the Amended Sanction Order of an arrangement agreed to by the Canada Revenue Agency (the “**CRA**”), which is set out in the email chain attached to this Affidavit as **Exhibit “N”**. In the email chain, exchanged between counsel for the CRA, the Monitor, Mantle and JMB, it was agreed that:
- (a) the \$1,850,000 (together with other moneys deposited into that fund with the Monitor, the “**FTI Monies**”) held by the Monitor in trust in respect of the lien and trust claims of certain parties relating the work performed under the Bonnyville Supply Contract would not be distributed pending a determination of the quantum and priority of certain potential trust or lien claims of the CRA against JMB (the “**CRA Priority Claims**”);
 - (b) the CRA would not seek payment of the CRA Priority Claims from any funds of JMB other than the FTI Monies that are vested 216 pursuant to the Original RVO and are not encumbered by the charges created by the Initial Order;
 - (c) the CRA would not seek to set aside or complete the completion of the Original Transactions, and following the completion of the Original Transactions, would not seek to collect the CRA Priority Claims as against Mantle; and
 - (d) subject to the foregoing, the CRA would continue to have any other remedies that might be available to enforce the CRA Priority Claims under the *Income Tax Act*.
73. Because the agreement referred to in paragraph 72 refers to the structure set out in the Original Transactions, the terms need to be updated to reflect the following, and therefore these provisions have been included in the Amended Sanction Order:

- (a) the Monitor would continue to hold the FTI Funds in trust pending determination of the quantum and priority of CRA Priority Claims;
- (b) the CRA would not seek payment of the CRA Priority Claims from any funds of JMB or 216 other than the FTI Monies that are vested ResidualCo pursuant to the Amended RVO and are not encumbered by the charges created by the Initial Order;
- (c) the CRA would not seek to set aside or complete the Amended Transactions, and following the completion of the Amended Transactions, would not seek to collect the CRA Priority Claims as against Mantle, JMB or 216; and
- (d) subject to the foregoing, the CRA would continue to have any other remedies that might be available to enforce the CRA Priority Claims under the *Income Tax Act*.

74. The reasons discussed in my Affidavit sworn on September 30, 2020 in support of the applications for the Original Sanction Order continue to be true. No unsecured creditor of JMB or, for that matter, of 216, and no shareholder of JMB, is affected by the Amended Plan, has an economic stake in the Amended Plan, or should be entitled to vote upon the Amended Plan.

75. Since this Court granted the Original Plan Sanction Order, no party has proposed an alternate plan.

76. The only Affected Creditors continue to be ATB and Fiera. I am advised by the Monitor and believe that the Monitor, through its independent counsel, has confirmed the validity and enforceability of the Affected Claims of the Affected Creditors and the validity and priority of their security.

77. ATB and Fiera provided letters to the Monitor voting in favour of the Amended Plan on March 3, 2021.

78. The Amended Plan includes a number of conditions precedent, namely:

- (a) the Affected Creditors have agreed to this Amended Plan;

- (b) this Honourable Court has granted the Amended Sanction Order, which will not have been stayed, reversed or amended, and all applicable appeal periods will have expired or a final determination been made by the applicable appellate Court; and
- (c) the conditions set out in the Amended Purchase Agreement have been fulfilled, satisfied or waived in accordance with the Amended Purchase Agreement.

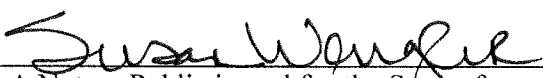
79. If sanctioned and implemented, the Amended Plan will permit Mantle to continue business of the CCAA Applicants as a going concern, having preserved their business and many of the jobs of employees and contractors. Given the liabilities of the CCAA Applicants to ATB and Fiera, I am advised by Mr. Cumming and believe that there is no scenario where unsecured creditors would achieve any recovery.
80. As a result of the Amended Plan, JMB and 216 will emerge as solvent corporations which in due course will amalgamate with Mantle, thereby preserving the PUC, which has been valued at \$39,962,847 as of March 9, 2020.

Sealing of Unredacted Copy of the Amended PSA

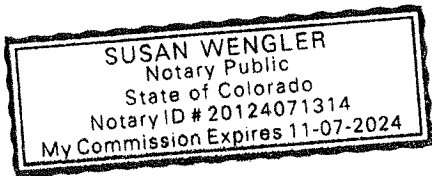
81. An unredacted copy of the Amended Purchase Agreement is attached to the Confidential Affidavit of Byron Levkulich sworn March 3, 2021. The unredacted copy of the Amended Purchase Agreement contains certain sensitive commercial information that, if disclosed, could adversely impact the interests of the Plan Applicants and their stakeholders. Accordingly, the CCAA Applicants will be seeking to have the Confidential Affidavit sealed.

82. The CCAA Applicants have acted, and continue to act, in good faith and with due diligence in respect of all matters relating to the CCAA Proceedings, and no creditor will be prejudiced by the proposed extension of the Stay Period.

SWORN BEFORE ME at the City of)
Denver, in the State of Colorado, this 4th)
day of March, 2021.)


A Notary Public in and for the State of)
Colorado)

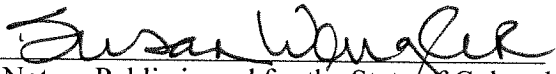

BYRON LEVKULICH

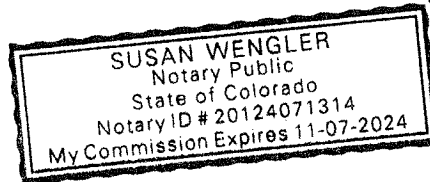


THIS IS EXHIBIT "A" REFERRED TO IN T
HE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



AGGREGATE PITS

1. Aggregate Pits where 216 or JMB was the Disposition or EPEA Registration Holder

Registration/Lease Holder	Registration/Disposition Number	Common Name	Original Transaction Assignee	Amended Transaction Assignee
216	SML 060060	SML 060060	216	216
216	DLO 170011	SML 060060 Access	216	216
216	SML 080085	JLG 3	216	216
216	SML 110025	JLG 5	216	216
216	SML 110026	JLG 6	216	216
216	SML 110045	JLG 7	216	216
216	SML 110046	JLG 8	216	216
216	SML 110047	JLG 9	216	216
216	SML 120005	JLG 10	216	216
216	SML 120006	JLG 11	216	216
216	SML 120100	JLG 12	216	216
216	SML100085	JLG 4	216	216
JMB	15048-03-02	Buksa	JMB	ResidualCo
JMB	17395-01-00	Havener	JMB	Mantle
JMB	306490-00-00	Hoye/Kucy	JMB	ResidualCo
JMB	293051-00-00	MacDonald	JMB	ResidualCo
JMB	149949-00-00	Megley	JMB	ResidualCo
JMB	263318-00-00	Okane	JMB	ResidualCo
JMB	308161-00-00	Shankowski	JMB	Mantle
JMB	SML 120027	SML 120027 (Sand)	JMB	JMB
JMB	SML 930040	SML 930040	JMB	JMB
JMB	SML 980116	SML 980116 (Sand)	JMB	JMB
JMB	NE 35-56-6-W4	JMB	JMB	Mantle
JMB	DML 120032	N/A	JMB	JMB
JMB	SME 150106	N/A	JMB	JMB
JMB	SME 200009	N/A	JMB	JMB

2. Aggregate Pits where a Third Party is the Disposition or EPEA Registration Holder

Registration/Lease Holder	Registration/Disposition Number	Common Name	Original Transaction Assignee	Amended Transaction Assignee
1386194 Alberta Ltd.	SML 030074	Crow Lake	JMB	Disclaimed
Lafarge	SML 100043	Moose River	JMB	Mantle
Lafarge	15215-01-01	Oberg	JMB	Mantle

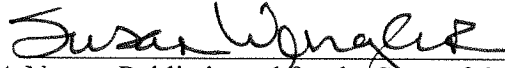
3. Kalinko Agreement, which was terminated by the Kalinko Parties in April of 2019 and which is being disclaimed under section 32 of the CCAA, and under which Kalinko Parties are the Disposition Holders

Registration/Disposition Number	Common Name
SML 100101	Cheecham - SML 100101
SML 000034	SML 000034
SML 010005	SML 010005
SML 010032	Pit 27/Pad 58/68 - SML 010032
SML 020014	Pit 31
SML 030046	Moose Creek East
SML 040122	Tower
SML 100016	SML 100016(2)
SML 100050	Marie Creek
SML 100057	Truman - SML 100057
SML 100075	KM242 - SML 100075
SML 100112	KM242 - SML 100112
SML 110037	Pit 19 Extension
SML 110044	KM160 - SML 110044
SML 110065	Pit 27/Pad 58/68 - SML 110065
SML 110072	SML 110072
SML 120004	SML 120004
SML 130003	KM160 - SML 130003
SML 130017	SML 130017
SML 130124	SML 130124
SML 140015	OCR (Old Conklin Trail)
SML 140026	KM248 - SML 140026
SML 140046	Hwy 41
SML 140080	SML 140080(1)
SML 150031	SML 150031(1)

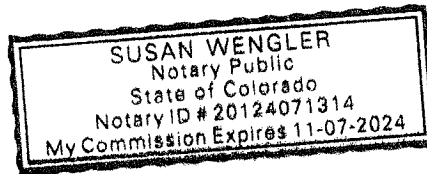
THIS IS EXHIBIT "B" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021



A Notary Public in and for the State of Colorado





Tom Cumming
Direct +1 403 298 1938
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November 27, 2020

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Dear Sirs and Madams:

Re: JMB Crushing Systems Inc. (“JMB”) and 2161889 Alberta Ltd. (“216”) proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (as amended, the “CCAA”)

We are writing to respond to the letters from Alberta Environment and Parks (the “AEP”) dated November 16, 2020 (the “**Nov 16 Letter**”), November 18, 2020 (the “**Nov 18 Letter**”) and November 23, 2020 (the “**Nov 23 Letter**”, and together with the Nov 16 Letter and Nov 18 Letter, the “**AEP Letters**”), and as a follow up to our letter dated November 19, 2020 addressed to Vivienne Ball and Melissa Burkett with Justice and Solicitor General, and to the conference call (the “**Conference Call**”) held today between Vivienne Ball, Melissa Burkett, Lee Plumb, Pantelis Kyriakakis (counsel for FTI Consulting Canada Inc., the Court appointed Monitor of JMB and 216), Tom Gusa (counsel for ATB Financial) and Kyla Mahar (counsel for Fiera Private Debt Fund VI LP and Fiera Private Debt Fund V LP (“**Fiera**”)).

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The purchase and sale transaction (the “**Transaction**”) under the Asset Purchase Agreement dated September 28, 2020 (the “**APA**”) between JMB and 216 as vendors and Mantle Materials Group Ltd. (“**Mantle**”) is subject to the condition precedent that the AEP consent to the transfer to Mantle of the Included SMLs and the Included Registrations (as such terms are defined below) and the transfer to 216 of the Excluded SMLs. The completion of the Transaction will result in the majority, but not all, of the issues in the AEP Letters being addressed. If the regulatory condition in the APA is to be satisfied or waived, Mantle requires the conditions to regulatory approval to be clearly set out. However, the AEP Letters contemplate that all of the actions be taken before the AEP determines whether or not to approve the transfers of the Included SMLs and Included Registrations. Because any actions that are taken would have to be funded by Mantle, and such funding is dependent on the Transaction closing, there is a difficult timing problem that must be resolved in order for this matter to progress.

In an effort to resolve the timing issue, Mantle has instructed us to make the following proposal to the AEP:

1. The AEP will confirm in writing that provided the SML Conditions (as defined below) are satisfied, the AEP will take the following steps (collectively, the “**Disposition Approvals**”):
 - (a) the AEP will approve the transfer by 216 to Mantle of SML 080085, SML 110025, SML 110026, SML 110045, SML 110046, SML 110047, SML 120005, SML 120006, SML 120100 and SML100085 (collectively, the “**Included SMLs**”);
 - (b) the AEP will approve the transfer by JMB to 216 of DLO 170011, SML 120027, SML 930040, SML 980116 and DML 120032 (which, together with SML 060060, are collectively referred to as the “**Excluded SMLs**”);
 - (c) the AEP will register new Conditional Surrenders of Lease in favour of Fiera against the Included SMLs;
 - (d) the AEP will permit the return of security in respect of SME 200009 (the “**SME 200009 Security**”); and
 - (e) provided a purchaser of SML 060060 is found that is acceptable to the AEP, the AEP will consent to the transfer to such purchaser of that disposition.
2. The Disposition Approvals will be subject to the satisfaction of the following conditions (collectively, the “**Disposition Conditions**”):
 - (a) Mantle will submit a corrected Assignment of Disposition – Industrial to replace the October 20, 2020 Assignment of Disposition – Industrial;
 - (b) Mantle will pay unpaid 2019 royalties under the Included SMLs;
 - (c) 216 will file the 2020 Returns in respect of the Included SMLs and Mantle will pay any unpaid 2020 royalties;
 - (d) Mantle will arrange for Canadian Western Bank (or an alternative bank or financial institution) to issue to the AEP as security for the reclamation obligations relating to the Included SMLs, subject to the return of the letters of credit that they are replacing;

- (e) Mantle will pay the assignment fee of \$3,150 for the assignment of the Included SMLs;
 - (f) Fiera will provide releases of the Conditional Surrenders of Leases granted to it by 216 in respect of the Included SMLs; and
 - (g) JMB will fund the reclamation by 216 of the lands subject to the Excluded SMLs in accordance with a reclamation plan mutually agreed to by JMB and the AEP, provided the reclamation security posted in respect of the Excluded SML's is returned to JMB to fund such reclamation.¹
3. The AEP will confirm in writing to JMB and Mantle that provided the Registration Conditions (as defined below) are satisfied, the AEP will take the following steps (collectively, the "**Registration Approvals**"):
- (a) the AEP will approve the transfer by JMB to Mantle of registration nos. 15048-03-02 (in respect of the lands subject to the aggregate royalty agreement dated December 31, 2018 between JMB and 302016 Alberta Limited), 17395-01-00 (in respect of the lands subject to the aggregate royalty agreement dated November 8, 2018 between Helen Havener, Gail Havener and JMB), 308161-00-00 ((in respect of the lands subject to the aggregate royalty agreement dated October 29, 2018 between JMB, Jerry Shankowski and 945441 Alberta Ltd.) and 17395-01-00 (real property owned by JMB) (collectively, the "**Included Registrations**"); and
 - (b) the AEP will call on the bond with respect to registration 15048-03-02 (Buksa Royalty Agreement), in the amount of \$50,442.14, to secure the reclamation obligations in respect of the Excluded Royalty Lands.
4. The Registration Approvals will be subject to the satisfaction of the following conditions (collectively, the "**Registration Conditions**"):
- (a) Mantle will provide replacement security in respect of the Included Registrations;
 - (b) Mantle will provide the Schedule 3 filing in respect of registration no. 17395-01-00;
 - (c) Mantle will provide a copy of the amending agreement between Mantle, Lynne Havener (as Executor of the Estate of Helen Havener) and Gail Havener, the amended and restated aggregate royalty agreement between Mantle, Lynne Havener and Gail Havener, and the amending agreement between Mantle, Jerry Shankowski and 945441 Alberta Ltd., evidencing the respective consents of Lynne Havener, Gail Havener, Jerry Shankowski and 945441 Alberta Ltd. to the assignment of their respective aggregate royalty agreements with JMB;
 - (d) Mantle will provide a consent of 302016 Alberta Limited to the transfer to Mantle of the aggregate royalty agreement dated December 31, 2018 between JMB and 302016 Alberta Limited; and

¹ Subject to JMB's due diligence with respect to the reclamation obligations for the Excluded SMLs.

- (e) the application by Shankowski to set aside the amending agreement between Mantle, Jerry Shankowski and 945441 Alberta Ltd. shall be dismissed.
5. Upon the completion of the Transaction, the aggregate royalty agreements in respect of registration nos. 306490-00-00 (Hoye/Kucy Royalty Agreement), 293051-00-00 (MacDonald Royalty Agreement), 149949-00-00 (Megley Royalty Agreement) and 263318-00-00 (Okane Royalty Agreement) will vest in 216, subject to all liabilities associated with such aggregate royalty agreements. 216 is not funded to provide replacement security for the bonds posted in respect of such registrations in the amounts of \$39,805, \$77,600, \$74,683 and \$39,805 which the AEP permitted to expire.

The forgoing would resolve the timing issue because it would provide Mantle with the assurance that it requires that provided the Disposition Conditions and the Registration Conditions are satisfied, the AEP will provide the Disposition Approvals and Registration Approvals. This will, in turn, permit Mantle to proceed with closing the Transaction without the Disposition Approvals and Registration Approvals being issued, but on the strength of the AEP's assurances.

At the Conference call, it was agreed that there would be follow up discussions between JMB, 216, Mantle and the AEP, together with counsel for these entities, the Monitor, ATB Financial and Fiera. Given the urgency of this matter, we propose that the follow up video meetings take place on Monday November 30, 2020. Please let us know what a convenient time would be. If different groups within the AEP require different times, and would prefer separate meetings, we are happy to accommodate that.

We look forward to discussing the foregoing with you.

Yours truly,

Gowling WLG (Canada) LLP

Tom Cumming

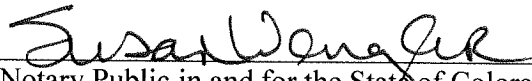


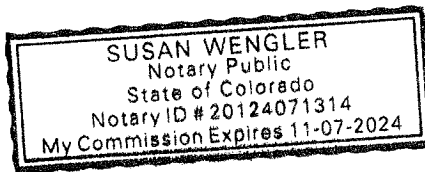
cc. Tyler Pell, Josh Inglett and Byron Levkulich
Caireen Hanert and Stephen Kroeger
Pantelis Kyriakakis, Tom Gusa and Kyla Mahar

THIS IS EXHIBIT "C" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



RECLAMATION OBLIGATIONS AGREEMENT

THIS Agreement is dated as of January 6, 2021

BETWEEN:

JMB Crushing Systems Inc. ("JMB") and 2161889 Alberta Ltd. ("216")

Mantle Materials Group, Ltd. ("Mantle")

ATB Financial ("ATB")

Fiera Private Debt Fund VI LP, by its general partner **Fiera Private Debt Fund GP Inc. ("Fund VI")** and **Fiera Private Debt Fund V LP**, by its general partner **Fiera Private Debt Fund GP Inc.**, acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI (collectively, "**Fiera**")

Alberta Environment and Parks (the "AEP")

CONTEXT:

A. JMB and its wholly owned subsidiary 216 (collectively, the "**Companies**") carried on the business of extracting, processing and marketing Aggregate in the Province of Alberta (the "**Business**"). JMB's principal customers were road builders, municipalities, private land developers and the oil and gas service industry.

B. Canadian Aggregate Resources Corporation ("**CARC**") acquired the majority of the shares in JMB pursuant to a share purchase that closed in November of 2018 and J Buck and Sons Inc. ("**JBS**"), representing the Canadian management of the Companies, was a minority shareholder. CARC is wholly owned by Resource Land Fund V LP ("**RLF**"), a US private equity fund which based in Denver, Colorado.

C. JMB and 216 owned or had interests in over fifty Aggregate pits and/or the lands associated therewith on **Schedule "A"** (collectively, the "**Aggregate Pits**", and each individually, an "**Aggregate Pit**"). JMB and 216 held their respective interests in the Aggregate Pits (1) pursuant to certain Dispositions issued by the AEP under the *Public Lands Act*, RSA 2000, Ch P-40 and the *Public Lands Administration Regulation*, AR 187/2011 (collectively with all other applicable regulations and rules thereunder, the "**PLA**"), and such Aggregate Pits of JMB and 216, the "**Public Pits**"), (2) pursuant to certain aggregate royalty agreements with private land holders (such Aggregate Pits being the "**Private Pits**"), and (3) in the case of two pits, in fee simple (the "**Owned Lands**").

D. The extraction and processing of Aggregate, and the reclamation of the lands on which Aggregate Pits are located, is regulated by the AEP under the *Environmental Protection and Enhancement Act*, RSA 2000, Ch E-12, the *Conservation and Reclamation Regulation*, AR 115/93, the *Approvals and Registrations Procedure Regulation*, AR 113/93 and the *Activities Designation Regulation*, AR 276/2003 (collectively with all other applicable regulations and rules thereunder, the "**EPEA**"). In addition, in the case of the Private Pits and Owned Lands, the extraction and processing of Aggregate and reclamation of land is regulated by the *Code of Practice for Pits* under the EPEA (the "**Code**", and together with the EPEA and PLA, the "**Regulatory Legislation**").

E. ATB provided a senior operating loan and Fiera provided senior term loans to JMB, each of which were secured by Security Interests against all of the property and assets of JMB and 216, with ATB's Security Interests ranking first against the accounts receivable and inventory of JMB and 216 and a parcel of real property owned by JMB and Fiera's Security Interests ranking first against all other property and assets of JMB and 216, other than certain equipment subject to purchase money security interests in favour of or leases by certain third parties.

F. Almost immediately after CARC acquired its majority interest in JMB in November of 2018, it became apparent JMB was suffering a severe and sustained cash flow shortfall, which appeared to arise from the ongoing downturn in the oil and gas industry and in Alberta's economy. This financial impairment became significantly worse as a result of the public health measures to combat the COVID-19 pandemic.

G. In order to improve the Companies' financial viability and provide a process for recapitalizing or refinancing the Companies, the Companies applied to the Court of Queen's Bench of Alberta (the "**Court**") for protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"). On May 1, 2020, the Honourable Madam Justice Eidsvik pronounced an initial order which, among other things, declared the Companies were companies to which the CCAA applied, stayed all proceedings against the Companies, and appointed FTI Consulting Canada Inc. as the monitor of the Companies (the "**Monitor**"). The initial order was amended and restated by a further order of Justice Eidsvik pronounced on May 11, 2020 (as amended, the "**Initial Order**").

H. Under the Initial Order, the Court approved a sale and investment solicitation process (the "**SISP**") and appointed Sequeira Partners as sale advisor (the "**Sale Advisor**") under the SISP. The Sale Advisor conducted an extensive, two phase marketing process under the SISP, approaching approximately • potential strategic and financial investors and purchasers. Because of the possibility that CARC might submit a reserve or stalking horse bid in the SISP, the SISP was placed under the supervision and control of the monitor in order to ensure the independence and integrity of the process. Further, neither the Monitor nor the Sale Advisor provided information to CARC, RLF or the Companies' management with respect to actual or potential bids.

I. By June 26, 2020, JMB had completed its obligations under a supply agreement with the Municipal District of Bonnyville No. 87 and thereafter reduced its operations to a minimum and terminated all but six of its employees and contractors. In June of 2020, the president of JMB departed.

J. In June of 2020, CARC submitted a bid in the first phase of the SISP, and then in July of 2020, Mantle, which was a newly created affiliate of CARC which was also a wholly owned subsidiary of RLF, submitted a bid in the second phase to purchase the Core Assets. There were no other realistic bids and therefore Monitor negotiated the terms of the bid on behalf of the Companies and after consulting with ATB, Fiera and other stakeholders.

K. Pursuant to an asset purchase agreement dated September 27, 2020 (which, as amended on November •, 2020 and from time to time subsequently, is referred to as the "**APA**") between the Companies and Mantle, it was agreed that Mantle would purchase the Core Assets for a purchase price payable by a partial assumption of the indebtedness owing by the Companies to ATB and Fiera, by the assumption of certain other liabilities of the Companies, and in part by the payment of cash. The Core Assets include the Included Public Pits, the Included Private Pits and the Included Owned Land.

L. Pursuant to the APA, JMB and Mantle filed with the Court a plan of arrangement under the CCAA and *Business Corporations Act*, SBC 2002, c 57 (the “**CCAA Plan**”) under which, upon the completion of the transactions contemplated by the APA (the “**Transaction**”), the shares of JBS in the capital of JMB will be cancelled and the shares of CARC in the capital of JMB will be transferred to Mantle, and Mantle will assume the Assumed ATB Debt and Assumed Fiera Debt.

M. The Transaction is to be completed and implemented pursuant to and in accordance with (1) a sale approval and vesting order (the “**SAVO**”), vesting certain core assets of JMB and 216 in Mantle, (2) a reverse vesting order (the “**RVO**”), vesting assets and liabilities excluded from the Transaction in 216, (3) an assignment order, assigning certain key contracts of JMB and 216 to Mantle, and (4) a sanction order, sanctioning the CCAA Plan (collectively, the “**Mantle Transaction Orders**”).

N. The Transaction Closing is conditional upon the AEP approving assignments of the Dispositions and transfers of the Registrations in respect of the Included Public Pits, the Included Private Pits, the Included Owned Land. Certain Reclamation Obligations exist in respect of the Included Public Pits, the Included Private Pits, the Included Owned Land and the Excluded Pits, the quantum of which is estimated by the Companies as set out on **Schedule “A”**, and in order to provide certainty with respect to the manner in which Reclamation Obligations are to be addressed, and to obtain the approval by the AEP of the assignment of the Dispositions and transfer of the Registrations, the Parties have undertaken certain obligations on the terms and subject to the conditions contained herein.

NOW THEREFORE the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following capitalized terms will have the meanings set out below:

- (a) “**216**” is defined in the introductory paragraph of this Agreement.
- (b) “**AEP**” is defined in the introductory paragraph of this Agreement.
- (c) “**Aggregate**” means aggregates including granular base course gravels, asphalt pavement aggregates, concrete and weeping tile rock, sand and other aggregates.
- (d) “**Aggregate Pits**” and “**Aggregate Pit**” are defined in Recital C.
- (e) “**Agreement**” means this reclamation obligation agreement, including the Schedule, as it may be amended, modified, supplemented or restated from time to time.
- (f) “**APA**” is defined in Recital K.
- (g) “**Applicable Law**” means, with respect to any Person, property, transaction, event, business or other matter, any federal, state, provincial, local, domestic or foreign constitution, treaty, law, statute, regulation, code, ordinance, principle of

common law or equity, rule, municipal by-law, Permit, order or other requirement of any Governmental Authority whether or not having the force of law relating or applicable to such Person, property, transaction, event, business or other matter.

- (h) **"ATB"** is defined in the introductory paragraph of this Agreement.
- (i) **"Buxa Royalty Agreement"** means the aggregate royalty agreement dated December 31, 2018 between 302016 Alberta Limited, Rose Short and JMB.
- (j) **"Business"** is defined in Recital A.
- (k) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in Edmonton, Alberta.
- (l) **"CARC"** is defined in Recital B.
- (m) **"CCAA"** is defined in Recital G.
- (n) **"CCAA Plan"** is defined in Recital L.
- (o) **"Code"** is defined in Recital D.
- (p) **"Communication"** means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.
- (q) **"Contractor"** is defined in Section 3.5(f).
- (r) **"Core Assets"** means all of the right, title, benefit, estate and interest of JMB and 216 in and to certain assets to be acquired by Mantle under and pursuant to the APA.
- (s) **"Court"** is defined in Recital G.
- (t) **"CWB"** means Canadian Western Bank.
- (u) **"CWB LC Facility"** means the letter of credit facility created by CWB in favour of JMB and 216, and was assigned to and assumed by Mantle pursuant to the Transaction, for the purposes of providing the CWB LCs to the AEP as Security.
- (v) **"CWB LCs"** means letters of credit issued by CWB in favour of AEP.
- (w) **"Dispositions"** means the surface material leases and other dispositions of public lands issued by the AEP to JMB or 216 under the PLA, and **"Disposition"** means any one of the Dispositions.
- (x) **"EPEA"** is defined in Recital E.
- (y) **"Excluded Aggregate Inventory"** means Aggregate that, as of the date this Agreement is fully executed by the Parties, has been extracted and is located on the lands subject to the Excluded Royalty Agreements.

- (z) **"Excluded Private Pits"** the Aggregate Pits governed by the aggregate royalty agreements listed on **Schedule "A"** under the heading of *"Excluded Private Pits"* and identified as the Hoye/Kucy Royalty Agreement, the MacDonald Royalty Agreement, the Megley Royalty Agreement and the Okane Royalty Agreement.
- (aa) **"Excluded Public Pits"** means the Aggregate Pits governed by the Dispositions listed on **Schedule "A"** under the heading of *"Excluded Public Pits"* and identified as SML 120027, SML 930040, SML 980116 and DML 120032.
- (bb) **"Excluded Royalty Agreements"** means the aggregate royalty agreements relating to the Excluded Private Pits, being the Hoye/Kucy Royalty Agreement, the MacDonald Royalty Agreement, the Megley Royalty Agreement and the Okane Royalty Agreement, and **"Excluded Royalty Agreement"** means any one of them.
- (cc) **"Excluded Royalty Lands"** means each of the lands on which the Excluded Public Pits are located and to which an Excluded Royalty Agreements applies.
- (dd) **"Excluded Reclamation Amount"** is defined in Section 3.5(b).
- (ee) **"Fiera"** is defined in the introductory paragraph of this Agreement.
- (ff) **"Fund VI"** is defined in the introductory paragraph of this Agreement.
- (gg) **"Glacier Royalty Agreement"** means the aggregate royalty agreement dated September 30, 2014 between JMB and 1386194 Alberta Ltd., in respect of the Aggregate Pit subject to the Disposition identified as SML 030074 which was granted to 1386194 Alberta Ltd.
- (hh) **"Governmental Authority"** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (ii) **"Havener Royalty Agreement"** means the aggregate royalty agreement dated November 8, 2018 between JMB, Helen Havener and Gail Havener, as amended by a letter agreement dated October 13, 2020 between Mantle, Gail Havener and Lynne Havener, as executor of the Estate of Helen Havener, as amended and restated by the aggregate royalty agreement dated October 13, 2020 between Mantle, Gail Havener and Lynne Havener, as executor of the Estate of Helen Havener.
- (jj) **"Hoye/Kucy Royalty Agreement"** means the aggregate royalty agreement dated January 7, 2020 between JMB, Ron and Rita Kucy and Ron and Vonda Hoye.

- (kk) **"Included Owned Land"** means lands identified on **Schedule "A"** under the heading of Included Owned Land.
- (ll) **"Included Private Pits"** means the Aggregate Pits governed by the aggregate royalty agreements listed on **Schedule "A"** under the heading of *"Included Private Pits"* and identified as the Buksa Royalty Agreement, the Havener Royalty Agreement and the Shankowski Royalty Agreement.
- (mm) **"Included Public Pits"** means the Aggregate Pits governed by the Dispositions listed on **Schedule "A"** under the heading of *"Included Public Pits"* and identified as SML 080085, SML 110025, SML 110026, SML 110045, SML 110046, SML 110047, SML 120005, SML 120006, SML 120100 and SML100085.
- (nn) **"Initial Order"** is defined in Recital G.
- (oo) **"JBS"** is defined in Recital B.
- (pp) **"JMB"** is defined in the introductory paragraph of this Agreement.
- (qq) **"Kalinko Royalty Agreement"** means the aggregate royalty agreement dated June 12, 2012 and amended June 12, 2017 between Tim Kalinski, Jessica Brennan, Matthew Kalinski, Zachariah Kalinski, Elisha Kalinski and JMB.
- (rr) **"Lafarge Royalty Agreements"** means collectively the aggregate royalty agreement dated June 28, 2019 between Lafarge Canada Inc. and JMB, relating to the Disposition identified as SML 100043, and the aggregate royalty agreement dated June 28, 2019 between Lafarge Canada Inc. and JMB, relating to the Aggregate Pit having Registration no. 15215-01-01.
- (ss) **"MacDonald Royalty Agreement"** means the aggregate royalty agreement dated October 27, 2019 between JMB and Allan K MacDonald.
- (tt) **"Mantle"** is defined in the introductory paragraph of this Agreement.
- (uu) **"Mantle Transaction Orders"** is defined in Recital M.
- (vv) **"Megley Royalty Agreement"** means the aggregate royalty agreement dated September 30, 2018 between JMB and Doug Megley.
- (ww) **"Monitor"** is defined in Recital G.
- (xx) **"Okane Royalty Agreement"** means the aggregate royalty agreement dated April 30, 2018 between JMB, Colleen Penner and the Estate of Ed Okane.
- (yy) **"Owned Lands"** is defined in Recital C.
- (zz) **"Parties"** means JMB, 216, Mantle, ATB, Fiera and the AEP, collectively, and **"Party"** means any one of them.
- (aaa) **"Permits"** means any permit, license, approval, consent, authorization, registration or certificate issued, and conservation and reclamation business plans in respect of Dispositions approved, by the AEP or other applicable

Governmental Authority, including the Registrations.

- (bbb) “**Person**” will be broadly interpreted and includes: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and (iii) a Governmental Authority.
- (ccc) “**PLA**” is defined in Recital C.
- (ddd) “**Private Pits**” is defined in Recital C.
- (eee) “**Public Pits**” is defined in Recital C.
- (fff) “**Reclamation Obligation Limit**” is defined in Section 3.5(c).
- (ggg) “**Reclamation Obligations**” means reclamation obligations under the Regulatory Legislation in respect of Aggregate Pits.
- (hhh) “**Reclamation Work**” means work in performing the Reclamation Obligations in respect of the Excluded Private Pits.
- (iii) “**Registrations**” means the registrations issued by the AEP in respect of the Private Pits under the Code and other Regulatory Legislation.
- (jjj) “**Regulatory Legislation**” is defined in Recital D.
- (kkk) “**RVO**” is defined in Recital M.
- (lll) “**RVO Amending Order**” is defined in Section 3.2(a)(ii).
- (mmm) “**RLF**” is defined in Recital B.
- (nnn) “**Sale Advisor**” is defined in Recital H.
- (ooo) “**SAVO**” is defined in Recital M.
- (ppp) “**SAVO Amending Order**” is defined in Section 3.2(a)(i).
- (qqq) “**Security**” means security in the form of letters of credit, bonds, cash or other forms for Reclamation Obligations required under the Regulatory Legislation.
- (rrr) “**Security Interest**” means any mortgage, charge, security interest, lien or other charge or leasehold interest of a lessor of property.
- (sss) “**Shankowski Royalty Agreement**” means the aggregate royalty agreement dated October 29, 2018 between JMB, Jerry Shankowski and 945441 Alberta

Ltd., as amended by a letter agreement dated October 14, 2020 between Mantle, Jerry Shankowski and 945441 Alberta Ltd.

- (ttt) “**SISP**” is defined in Recital H.
- (uuu) “**Skoreyko**” means Skoreyko Crushing Ltd.
- (vvv) “**Skoreyko PSA**” means the purchase and sale agreement between 216 and Skoreyko pursuant to which 216 agreed to sell and Skoreyko agreed to purchase the SML 060060 Dispositions.
- (www) “**SML 060060 Dispositions**” means the Dispositions identified as SML 060060 and DLO 170011 which are listed on **Schedule “A”** under the heading “*SML 060060 Dispositions*”.
- (xxx) “**Transaction**” is defined in Recital L.
- (yyy) “**Transaction Closing**” means the completion of the Transaction and the implementation of the CCAA Plan.
- (zzz) “**Trust**” is defined in Section 3.5(e).
- (aaaa) “**Trust Fund**” is defined in Section 3.5(e).

1.2 **Certain Rules of Interpretation**

- (a) In this Agreement, words signifying the singular number include the plural and *vice versa*, and words signifying gender include all genders. Every use of the words “including” or “includes” in this Agreement is to be construed as meaning “including, without limitation” or “includes, without limitation”, respectively.
- (b) The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless otherwise specified.
- (d) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.
- (e) For the purposes of this Agreement, all amounts will be denominated in Canadian dollars and all payments and distributions to be made in cash will be made in Canadian dollars.

1.3 Schedule

The following Schedule is attached to, incorporated by reference into and forms part of this Agreement:

Schedule "A"

Aggregate Pits

2. PURPOSE OF THIS AGREEMENT

2.1 Purpose

This Agreement is intended to permit the Transaction under the APA and CCAA Plan to be completed by setting out the terms under which the AEP would approve and consent to the assignment of the Dispositions and Permits and transfer of the Registrations relating to the Included Public Pits and Included Private Pits. Without such approvals and consents, a fundamental condition to Transaction Closing provided for in the APA would not be satisfied and Mantle is unwilling to waive such condition.

Mantle anticipates that if the Transaction is completed, the stakeholders in JMB and 216, including the current or former employees, their customers, their suppliers, landowners, the communities in rural Alberta where the Business operates, the environment, ATB and Fiera, and the investors in RLF, will potentially benefit from the following:

- (a) the Business will directly employ in Alberta approximately thirty full time individuals, and will seasonally employ in Alberta, directly and indirectly through contractors, in excess of ninety individuals;
- (b) the Business will sell approximately 1 million tonnes of Aggregate per annum, based upon production of approximately 2 million tonnes per annum, yielding approximately \$30,000,000 per annum, with significant potential for additional production with the recovery of the oil and gas industry;
- (c) upon Mantle acquiring the Included Public Pits, Mantle will assume the Reclamation Obligations associated therewith, maintain the Security for such Reclamation Obligations, and pay the arrears of royalty payments and other amounts owing to the AEP under the Included Public Pits;
- (d) Mantle would acquire the Excluded Public Pits for the purpose of performing the Reclamation Obligations in respect thereof;
- (e) the SML 060060 Dispositions would be assigned to Skoreyko together with associated Permits, and Skoreyko would assume the Reclamation Obligations thereunder, replace the Security posted by 216 thereunder and operate the Aggregate Pit subject thereto;
- (f) Mantle would acquire the interest of JMB in the Buksa Royalty Agreement, the Shankowski Royalty Agreement and the Havener Royalty Agreement, operate the Aggregate Pits subject thereto, assume the Reclamation Obligations and replace the expired Security thereunder; and

- (g) the Parties would share the economic burden of the expired Security provided under the Registrations of the Aggregate Pits subject to the Hoye/Kucy Royalty Agreement, the MacDonald Royalty Agreement, the Megley Royalty Agreement and the Okane Royalty Agreement.

Should the Transaction not proceed, JMB and 216 would likely be placed into bankruptcy or receivership, with their remaining property and assets either being liquidated or abandoned, and the foregoing benefits would be lost. In particular: (i) the Business would cease together with the associated direct and indirect employment, and substantially all of the tangible property and assets of JMB and 216 will be abandoned, with the consequential loss of economic activity in Alberta; (ii) it is unlikely that any other Person or Persons would acquire the interest of the Companies in the Public Pits, the Private Pits or the Owned Lands; (iii) the Dispositions would eventually lapse or be terminated; (iv) the aggregate amount of the Reclamation Obligations exceeds the aggregate amount of the Security posted therefor, and in the event of such shortfall being realized, the public and the private land owners could bear the economic burden of such deficiency; and (v) substantial portions of the loans advanced by ATB and Fiera to JMB and the capital invested by RLF in JMB and 216 could be lost.

3. COVENANTS OF THE PARTIES

3.1 Included Public Pits

Subject to the satisfaction or waiver of the conditions precedent in Section 4.1:

- (a) Mantle and the AEP agree as follows:
 - (i) the AEP will consent to and approve the assignment to Mantle pursuant to the SAVO of the Dispositions governing the Included Public Pits and any Permits issued by the AEP relating thereto;
 - (ii) promptly following the Transaction Closing:
 - (A) Mantle will pay to the AEP the applicable assignment fee payable in respect of the application to approve the assignment of the Dispositions of the Included Public Pits and the Excluded Public Pits;
 - (B) Mantle will assume the Reclamation Obligations in respect of each Included Public Pit;
 - (C) Mantle will assume the rights and obligations of JMB to CWB under the CWB LC Facility, whereupon the Security in the form of CWB LCs will previously issued on behalf of JMB will be issued on behalf of Mantle;
 - (D) 216 will file with the AEP the outstanding returns for 2020 required under the Regulatory Legislation in respect of the Included Public Pits, and Mantle will thereafter pay when due the royalties owing to the AEP under the Dispositions relating to the Included Public Pits for the 2020 calendar year as and when they become due; and

- (E) With respect to the arrears of 2019 and 2020 royalty payments, goods and services tax and insurance payments in respect of the Dispositions of Included Public Pits, which Mantle estimates to be an aggregate of \$250,292.23, Mantle shall pay to the AEP fifty percent (50%) of such amount.
- (b) Fiera will deliver to the AEP releases of the conditional surrenders of lease granted by JMB or 216 in respect of the Included Public Pits, and the AEP will register replacement conditional surrenders of lease granted by Mantle to Fiera in respect of the Included Public Pits.

3.2 Excluded Public Pits

- (a) Following the execution by each of the Parties of this Agreement, the Companies and Mantle will apply to the Court for orders amending the SAVO and RVO pursuant to which:
 - (i) the Excluded Public Pits shall be included in the definition of *Transferred Acquired Assets* (as such term is defined in the SAVO, with such amending order being the “**SAVO Amending Order**”); and
 - (ii) the Excluded Public Pits shall cease to be included in the definition of *Excluded Aggregate Pits* (as such term is defined in the RVO, with such amending order being the “**RVO Amending Order**”),

with the effect that Mantle will acquire all of the right, title and interest of the Companies in the Excluded Public Pits, assume the Reclamation Obligations in respect thereof, and maintain the Security relating thereto, which the AEP and Mantle agree is in the aggregate amount of \$42,332 for the 2021 calendar year.

- (b) Subject to the satisfaction or waiver of the conditions precedent in Section 4.1, Mantle and the AEP agree as follows:
 - (i) the AEP will consent to and approve the assignment to Mantle of the Dispositions of the Excluded Public Pits and any Permits issued by the AEP relating thereto;
 - (ii) Mantle will assume the Reclamation Obligations and maintain Security in respect of each Excluded Public Pit in accordance with the requirements of the Regulatory Legislation, provided that Mantle shall have a two year time period to perform such Reclamation Obligations; and
 - (iii) upon the performance by Mantle of the Reclamation Obligations relating to an Excluded Public Pit, in a manner satisfactory to the AEP, at the request in writing of Mantle, the AEP shall return to Mantle the Security provided in respect of such Excluded Public Pit and terminate the Dispositions and Permits.

3.3 Sale of Dispositions

Subject to the satisfaction or waiver of the conditions precedent in Section 4.1, Mantle and the AEP agree as follows:

- (a) the AEP will consent to and approve the assignment to Skoreyko of the SML 060060 Dispositions together with any related Permits issued by the AEP, and upon Skoreyko depositing Security with the AEP in an amount acceptable to the AEP, the AEP shall return to Mantle the Security posted by 216 in respect of the SML 060060 Dispositions, being a CWL LC in the face amount of \$41,400; and
- (b) in the event that Mantle is able to sell any Dispositions relating to Excluded Public Pits to any other Person that is acceptable to the AEP, the AEP will approve and consent to the assignment thereof to such Person together with any related Permits and upon such Person posting with the AEP the Security required by the AEP in respect of such Disposition, the AEP will return to Mantle the Security provided by JMB, 216 or Mantle, as applicable.

3.4 Included Private Pits

Subject to the satisfaction or waiver of the conditions precedent in Section 4.1, Mantle and the AEP agree as follows:

- (a) the AEP will consent to and approve the transfer to Mantle pursuant to the SAVO of the Registrations and other Permits relating to the Included Private Pits;
- (b) upon the Transaction Closing, Mantle will assume the Reclamation Obligations in respect of each Included Private Pit in accordance with the requirements of the Regulatory Legislation;
- (c) with respect to the bond in the amount of \$50,442.14 issued in favour of the AEP as Security in respect of the Included Private Pit subject to the Buksa Royalty Agreement, the AEP shall hold the cash paid to it by the issuer thereof as Security and such cash shall satisfy obligation of Mantle to provide such Security for the 2021 calendar year; and
- (d) promptly following the Transaction Closing, Mantle will deposit:
 - (i) Security with the AEP for each Included Private Pit, which:
 - (A) in the case of the Included Private Pit subject to the Havener Royalty Agreement, Mantle and the AEP acknowledge is in the amount of \$31,988 for the 2021 calendar year; and
 - (B) in the case of the Included Private Pit subject to the Shankowski Royalty Agreement, Mantle and the AEP acknowledge is in the amount of \$180,120.57 for the 2021 calendar year; and
 - (ii) file with the AEP any outstanding filings required under the Regulatory Legislation with respect to the Included Private Pits, including any schedule 3 filings.

3.5 Excluded Private Pits

Subject to the satisfaction or waiver of the conditions precedent in Section 4.1, the Parties agree as follows:

- (a) AEP shall approve the transfer from JMB to 216 pursuant to the RVO of the Registrations in respect of the Excluded Private Pits and any Permits issued by the AEP in respect thereof.
- (b) The Parties acknowledge that the Reclamation Obligations in respect of the Excluded Royalty Lands, and the amount of Security required as of the date of this Agreement in respect of each, are as follows:
 - (i) \$39,805 in respect of the Excluded Royalty Lands subject to the Hoyer/Kucy Royalty Agreement;
 - (ii) \$77,600 in respect of the Excluded Royalty Lands subject to the MacDonald Royalty Agreement;
 - (iii) \$74,683 in respect of the Excluded Royalty Lands subject to the Megley Royalty Agreement; and
 - (iv) \$39,805 in respect of the Excluded Royalty Lands subject to the Okane Royalty Agreement

(each such amount being the “**Excluded Reclamation Amount**”).

- (c) The Parties shall divide the economic burden of the Reclamation Obligations in respect of the Excluded Royalty Lands such that each of Mantle, ATB, Fiera and AEP are individually responsible for one quarter of the Excluded Reclamation Amount, which in the case of Mantle, ATB and Fiera (whose aggregate responsibility for the Excluded Reclamation Amount is referred to as the “**Reclamation Obligation Limit**”), will be provided for as follows:
 - (i) ATB’s portion of the Reclamation Obligation Limit shall be funded either directly by ATB or from funds held by JMB against which ATB’s Security Interest has first ranking priority, which portion shall be paid to the AEP;
 - (ii) Fiera’s portion of the Reclamation Obligation Limit shall be funded from net proceeds of the sale JMB’s equipment against which Fiera’s Security Interest has first ranking priority, which proceeds Fiera will pay to the AEP; and
 - (iii) Mantle’s portion of the Reclamation Obligation Limit shall be funded by an advance by Mantle to AEP.
- (d) Mantle shall be entitled, for and on behalf of 216, to sell any Excluded Aggregate Inventory provided that the applicable Excluded Royalty Agreement permits access to the applicable Excluded Royalty Pit for such purpose. The proceeds of sale of the Excluded Aggregate Inventory shall be applied as follows:

- (i) firstly, to any costs incurred in marketing, selling, processing and delivering the Excluded Aggregate Inventory, together with a reasonable overhead relating to Mantle's costs in respect thereof, and to any royalties payable under the applicable Excluded Royalty Agreement;
- (ii) secondly, to the Parties on a *pari passu* basis, up to the aggregate Excluded Reclamation Amount; and
- (iii) thirdly, to the extent that all the Reclamation Obligations relating to all Excluded Royalty Lands up to the Reclamation Obligation Limit have been satisfied.

ATB consents to the application of the proceeds of sale of the Excluded Aggregate Inventory in accordance with Subsections 3.5(d)(i) and (ii). In the event that Mantle is unable to sell Excluded Aggregate Inventory at prices that exceed the costs and amounts payable referred to in Subsection 3.5(d)(i), Mantle may utilize such Excluded Aggregate Inventory in carrying out the Reclamation Work.

- (e) The contributions of ATB, Fiera and Mantle to the Reclamation Obligations in respect of the Excluded Private Pits pursuant to Section 3.5(c) shall be held in trust by the AEP (the trust created hereby being the "**Trust**", and the funds held in the Trust being the "**Trust Funds**"), on the following terms:
 - (i) the purpose of the Trust is to provide funding for performance of the Reclamation Obligations in respect of the Excluded Private Pits, up to the amount of the Reclamation Obligation Limit;
 - (ii) the beneficiary of the Trust shall be AEP, with ATB, Fiera and Mantle holding a *pari passu* reversionary beneficial interest therein held by ATB, Fiera and Mantle where Reclamation Work has been performed in an amount equal to the Reclamation Obligation Limit; and
 - (iii) the Trust Fund shall constitute Security which secures the Reclamation Obligations in respect of the Excluded Private Pits, up to the Reclamation Obligation Limit.
- (f) 216 shall be responsible for carrying out the Reclamation Work on the Excluded Private Pits, up to the Reclamation Obligation Limit. 216 hereby engages Mantle to manage and supervise the performance of such Reclamation Work and Mantle accepts such engagement. In carrying out such engagement, Mantle shall retain such contractors (each, a "**Contractor**") as it deems necessary or desirable, in consultation with the AEP, to carry out the Reclamation Work. As each task or set of tasks is performed in a manner and at a cost satisfactory to Mantle (based on reasonable industry norms for such Reclamation Work):
 - (i) Mantle shall give written notice thereof to the AEP of the completion of such task or tasks, and the AEP will promptly upon receipt of such notice attend the applicable Excluded Private Pit to determine whether it is satisfied with the performance of such task or tasks;

- (ii) provided that the AEP is satisfied with the performance of such task or tasks, the AEP shall promptly pay from the Trust Fund the Contractor's invoice for such task or tasks; and
 - (iii) if the AEP is not satisfied with the performance of such task or tasks, it will give Mantle and the Contractor the particulars thereof and work with Mantle and the Contractor to identify any deficiency and the steps required to address such deficiency.
- (g) When the aggregate amounts paid or payable to Contractors for Reclamation Work is equal to the Reclamation Obligation Limit, the AEP shall distribute any remaining amounts in the Trust Fund to Mantle, ATB and Fiera, in equal portions, and Mantle's obligations under this Section 3.5 shall terminate, provided that if the AEP advances sufficient amounts into the Trust Fund to permit the completion of the Reclamation Obligations in respect of the Excluded Private Pits, Mantle shall continue to supervise and manage the Contractors in performing Reclamation Work until such Reclamation Obligations are fully performed, whereupon Mantle's obligations hereunder shall terminate.

3.6 Included Owned Lands

Subject to the satisfaction or waiver of the conditions precedent in Section 4.1, Mantle shall assume the Reclamation Obligations in respect of the Included Owned Lands and maintain the Security in respect thereof, which Mantle and the AEP acknowledge is in the amount of \$14,534 for the 2021 calendar year.

3.7 Aggregate Pits not subject to this Agreement

The Aggregate Pits subject to the Kalinko Royalty Agreement, the Glacier Royalty Agreement and the Lafarge Royalty Agreements are not subject to this Agreement because the Kalinko Royalty Agreement has been terminated by JMB's counterparties thereto, the Glacier Royalty Agreement has expired, and the Security for the Aggregate Pits governed by the Lafarge Royalty Agreements is provided by Lafarge Canada Inc.

4. CONDITIONS PRECEDENT

4.1 Conditions to Agreement Implementation

This Agreement shall become effective and binding upon the Parties upon the satisfaction or waiver of the following conditions precedent:

- (a) the Parties shall have fully executed and delivered this Agreement;
- (b) the conditions set out in Sections 5.1, 5.2 and 5.3 of the APA shall have been fulfilled, satisfied or waived in accordance with the APA;
- (c) the Monitor shall have consented to 216 assigning to Mantle the Dispositions relating to the Excluded Public Pits and any other consent required by the Monitor shall have been obtained; and
- (d) Skoreyko shall have fully executed and delivered to 216 the Skoreyko PSA.

4.2 Waiver of Conditions Precedent

The conditions in Subsections 4.1(a) and (c) may only be waived in whole or in part in writing by all of the Parties. The condition in Subsection 4.1(d) may be waived in whole or in part in writing by Mantle.

5. GENERAL

5.1 Communications

Any Communication must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any Communication must be sent to the intended recipient at its address as follows:

(a) to JMB or 216:

JMB Crushing Systems Inc.
PO Box 6977
Bonnyville, Alberta T9N 2H4
Email: blakeelyea@jmbcrush.com
Attention: Blake M. Elyea, CPA, CGA, CIRP,
LIT, Chief Restructuring Advisor

FTI Consulting Canada Inc.
1000, 888-3rd Street SW
Bankers Hall, West Tower
Calgary, Alberta T2P 5C5
E-mail: deryck.helkaa@fticonsulting.com
Attention: Deryck Helkaa

(b) to Mantle:

Mantle Materials Group, Ltd.
1400 16th St, Suite 320
Denver, Colorado 80209
E-mail: Byron.Levkulich@RLHoldings.com
Attention: Byron Levkulich, CFA, CPA

(c) to ATB:

ATB Financial
Suite 2500, 10020 - 100 Street
Edmonton Alberta T5J 0N3
E-mail: aburnett@atb.com
Attention: Andrew J. Burnett, Director, Risk
Advisory and Management, ATB Corporate
Financial Services

(d) to Fiera:

Fiera Private Debt
20 Adelaide Street East, Suite 1500
Toronto, Ontario M5C 2T6

with copies to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW
Calgary Alberta T2P 4K9
E-mail: tom.cumming@gowlingwlg.com
Attention: Tom Cumming

McCarthy Tétrault LLP
4000, 421 - 7th Avenue SW
Calgary, Alberta T2P 4K9
E-mail: scollins@mccarthy.ca
Attention: Sean Collins

with copies to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW
Calgary Alberta T2P 4K9
E-mail: tom.cumming@gowlingwlg.com
Attention: Tom Cumming

with copies to:

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, Alberta T5J 0K4
E-mail: tom.gusa@dentons.com
Attention: Tom Gusa

with copies to:

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800

E-mail: szagrodny@fieracapital.com
Attention: Stephen Zagrodny, Director,
Corporate & Infrastructure Debt Financing

P.O. Box 1011
Toronto, Ontario M5H 3S1
E-mail: kmahar@millerthomson.com
Attention: Kyla E. M. Mahar

(e) to the AEP:

with copies to:

•
Email: •
Attention: •

•
Email: •
Attention: •

or at any other address as any Party may at any time advise the other by Communication given or made in accordance with this Section 5.1. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any Communication transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 4:00 pm (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

5.2 Miscellaneous Provisions

- (a) This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province. All questions as to the interpretation of or application of this Agreement and all proceedings taken in connection with this Agreement and its provisions will be subject to the jurisdiction of the Court.
- (b) This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no representations, warranties or other agreements between the Parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement.
- (c) Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.
- (d) No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is

in writing and executed by the Party to be bound. No waiver of, failure to exercise, or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

- (e) This Agreement will be binding upon and will enure to the benefit of the successors and assigns of any Party.
- (f) Each of the Persons named or referred to in, or subject to, this Agreement will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Agreement and to give effect to the transactions contemplated herein.
- (g) This Agreement and any counterpart of it may be created, provided, received, retained and otherwise used, and will be accepted, in any digital, electronic or other intangible form. This Agreement and any counterpart of it may be signed by manual, digital or other electronic signatures and delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission, and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Parties.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Each of the Parties has executed and delivered this Agreement, as of the date noted at the beginning of this Agreement.

JMB Crushing Systems Inc.

By:

Name:
Title:

Mantle Materials Group, Ltd.

By:

Name:
Title:

ATB Financial

By:

Name:
Title:

Alberta Environment and Parks

By:

Name:
Title:

2161889 Alberta Ltd.

By:

Name:
Title:

Fiera Private Debt Fund VI LP, by its general partner **Fiera Private Debt Fund GP Inc.** ("**Fund VI**") and **Fiera Private Debt Fund V LP**, by its general partner **Fiera Private Debt Fund GP Inc.**, acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI

By:

Name:
Title:

Schedule "A" - Aggregate Pits

Public Pits

Holder	Disposition Number	Pit Name	Status	Expiration	Estimated Reclamation Obligations	Security with AEP
<i>Included Public Pits</i>						
216	SML 080085	JLG 3	Not opened	25/04/2022	\$ 0	\$ 19,540
216	SML 110025	JLG 5	Open	10/02/2024	\$ 47,724	\$ 79,690
216	SML 110026	JLG 6	Open	10/04/2022	\$ 54,374	\$ 77,540
216	SML 110045	JLG 7	Open	17/03/2025	\$ 47,333	\$ 57,030
216	SML 110046	JLG 8	Open	17/03/2025	\$ 5,868	\$ 44,380
216	SML 110047	JLG 9	Open	17/03/2025	\$ 37,554	\$ 46,110
216	SML 120005	JLG 10	Open	04/10/2027	\$ 92,710	\$ 78,110
216	SML 120006	JLG 11	Not opened	06/10/2027	\$ 0	\$ 25,690
216	SML 120100	JLG 12	Not opened	06/10/2027	\$ 0	\$ 29,650
216	SML100085	JLG 4	Not opened	23/06/2026	\$ 0	\$ 42,010
<i>Excluded Public Pits</i>						
JMB	SML 120027		Open	12/01/2030	\$ 2,000	\$ 2,960
JMB	SML 930040		Depleted	28/07/2013	\$ 1,956	\$ 1,000
JMB	SML 980116		Open	15/02/2009	\$ 2,000	\$ 9,140
JMB	DML 120032		Open	06/01/2023	\$ 14,747	\$ 17,232
JMB	SME 150106		Expired	Expired	\$ 0	\$ 6,000
JMB	SME 200009		Expired	Expired	\$ 0	\$ 6,000
<i>SML 060060 Dispositions</i>						
216	SML 060060		Open	27/05/2024	\$ 44,595	\$ 41,400
216	DLO 170011		Access to SML 060060	27/05/2024	\$ 0	\$ 0

Private Pits

Holder	Registration Number	Agreement	Status	Expiration	Estimated Reclamation Obligations	Security with AEP
<i>Included Private Pits</i>						
JMB	15048-03-02	Buksa Royalty Agreement	Open	31/12/2023	\$ 25,605	\$ 0
JMB	17395-01-00	Havener Royalty Agreement		08/11/2031	\$ 73,584	\$ 0
JMB	308161-00-00	Shankowski Royalty Agreement		19/10/2028	\$ 179,516	\$ 0
<i>Excluded Private Pits</i>						
JMB	306490-00-00	Hoye/Kucy Royalty Agreement	Open	31/03/2021	\$ 32,742	\$ 0
JMB	293051-00-00	MacDonald Royalty Agreement	Open	31/12/2020	\$ 11,748	\$ 0
JMB	149949-00-00	Megley Royalty Agreement	Open	30/09/2023	\$ 173,056	\$ 0
JMB	263318-00-00	Okane Royalty Agreement	Open	30/04/2021	\$ 27,565	\$ 0

Included Owned Property

Owner	Legal Description	Status	Estimated Reclamation Obligations	Security with AEP
<i>Included Owned Property</i>				
JMB	NE 35-56-6-W4	Open	\$ 30,703	\$ 14,534

Aggregate Pits not subject to this Agreement

Holder	Agreement	Disposition or Registration No.	Expiration	Person responsible for Security
1386194 Alberta Ltd.	Glacier Royalty Agreement	SML 030074	SML 030074 expires 17/10/2021 Glacier Royalty Agreement has expired	1386194 Alberta Ltd.
Tim Kalinski, Jessica Brennan, Matthew Kalinski, Zachariah Kalinski and/or Elisha Kalinski, as applicable ("Kalinko")	Kalinko Royalty Agreement	SML 100101, SML 000034, SML 010005, SML 010032, SML 020014, SML 030046, SML 040122, SML 100016, SML 100050, SML 100057, SML 100075, SML 100112, SML 110037, SML 110044, SML 110065, SML 110072, SML 120004, SML 130003, SML 130017, SML 130124, SML 140015, SML 140026, SML 140046, SML 140080 and SML 150031	Kalinko Royalty Agreement terminated by Kalinko	Kalinko
Lafarge Canada Inc.	Lafarge Royalty Agreements	SML 100043 (Moose River) and 15215-01-01 (Oberg)	Lafarge Royalty Agreements - 01/07/2024 SML 100043 - 06/01/2023	Lafarge Canada Inc.

February 8, 2021

Delivered by Email

Thomas Cumming
Direct +1 403 298 1938
tom.cumming@gowlingwlg.com
File no. A164352

Brendan Hemens
Director, Public Lands Disposition Management
Alberta Environment and Parks
Brendan.Hemens@gov.ab.ca

Dear Brendan:

Re: Application of JMB Crushing Systems Inc. and 2161889 Alberta Ltd. under the *Companies' Creditors Arrangement Act* - acquisition by Mantle Materials Group, Ltd.

We are writing in connection with the continuing discussions between Mantle Materials Group, Ltd. ("**Mantle**") and Alberta Environment and Parks (the "**AEP**") with respect to the transaction (the "**Transaction**") contemplated by the Amended and Restated Asset Purchase Agreement dated September 28, 2021 (the "**APA**") between Mantle, JMB Crushing Systems Inc. ("**JMB**") and 2161889 Alberta Ltd. ("**216**").

The last proposal made by Mantle was contained in the draft Reclamation Obligations Agreement (the "**ROA**") between Mantle, the AEP, ATB Financial ("**ATB**") and the Fiera entities, Fiera Private Debt Fund VI LP and Fiera Private Debt Fund V LP ("**Fiera**"), which was attached to my email to you of January 21, 2021. For ease of reference a copy of the draft ROA is attached.

The current draft of the ROA provides that the APA would be amended and the Transaction revised to incorporate the following:

- SML 120027, SML 930040, SML 980116, DML 120032, SME 150106 and SME 200009, together with any associated cash security posted with the AEP, would be transferred to Mantle and reclaimed in due course;
- SML 060060 and DLO 170011 would be sold to Skoreyko Crushing Ltd. ("**Skoreyko**"), Skoreyko would provide security to the AEP, and the letter of credit held by the AEP would be returned to Mantle;
- The AEP would retain the cash security paid to it under the bond posted in respect of the Buksa Pit (registration no. 15048-03-02), but treat such security as being posted by Mantle;
- Mantle would post new security in the form of letters of credit issued by Canadian Western Bank to secure the reclamation obligations in respect of the Havener Pit (registration no. 17395-01-00) and Shankowski Pit (registration no. 308161-00-00);

- The “Excluded Private Pits”, consisting of the Hoye/Kucy Pit (registration no. 306490-00-00), the MacDonald Pit (registration no. 293051-00-00), the Megley Pit (registration no. 149949-00-00) and the Okane Pit (registration no. 263318-00-00) would continue to be vested in 216, but the economic cost of the lapsed security for the reclamation obligations in respect of these pits would be shared equally by Mantle, ATB, Fiera and the AEP. The AEP would hold in trust the contributions of Mantle, ATB and Fiera;
- Mantle would manage the reclamation work for the Excluded Private Pits, up to the amount held in trust by the AEP, and could draw upon those trust funds to defray the costs of such reclamation work;
- Mantle would pay 50% of the arrears of fees, interest and royalties for 2019 and 2020 payable to the AEP, whereupon the payment of further arrears would be waived pursuant to sections 25 and 28 of the *Public Lands Act*; and
- The AEP would immediately provide the approvals for the transfers of dispositions and registrations necessary to implement the Transaction, as amended.

We are quickly approaching February 12, 2021, which as I noted in my email of January 29, 2021, is a hard stop in respect of the Transaction. Mantle has negotiated a renewed supply contract with the Municipal District of Bonnyville No. 87 (the “MD”), which requires that 100,000 tonnes of aggregate is delivered to the MD by May 1, 2021. Because of seasonal road closures and restrictions starting March 1, 2021, Mantle must place heavy equipment in the Shankowski pit well that date and commence operations to extract, process and transport aggregate. Mantle will not be able to accomplish this unless the ROA is finalized by the end of February 9, 2021, which is tomorrow, and the Transaction is closed by February 12th.

Given the deadline described above, Mantle has instructed me to make one last attempt to secure the AEP’s support for a revised ROA. Subject to obtaining the concurrence of ATB and Fiera (which is being sought), Mantle is willing to support the following changes to the proposal contained in the ROA and set out above:

- The Excluded Private Pits, consisting of the Hoye/Kucy Pit (registration no. 306490-00-00), the MacDonald Pit (registration no. 293051-00-00), the Megley Pit (registration no. 149949-00-00) and the Okane Pit (registration no. 263318-00-00), would be vested in 216, but the economic cost of the lapsed reclamation security, which is estimated to be \$261,758, would be shared by Mantle, ATB and Fiera, with the respective contributions of ATB and Fiera being capped at \$87,500 each;
- The AEP would not be required to share any of the economic burden of the lapsed reclamation security; and
- The reclamation security would be held in trust by the AEP and would defray the costs incurred by Mantle in managing the reclamation of the Excluded Private Pits.

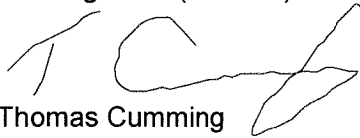
All other aspects of the proposal would remain as set out in the draft ROA.

Note that if the Transaction does not proceed, it is likely that all stakeholders, including Mantle, ATB, Fiera and the AEP, would suffer significant and unnecessary losses. In order to avoid such a scenario, the stakeholders are actively considering alternatives. If it is necessary to seek alternatives, the AEP will be advised of the intended course of action.

We would appreciate hearing from you at your earliest convenience whether or not the proposal is acceptable to the AEP, or could form the basis for a revised ROA. Given how quickly February 12th is approaching, I would ask that you let us know by the early afternoon tomorrow.

Sincerely,

Gowling WLG (Canada) LLP



Thomas Cumming


TSC

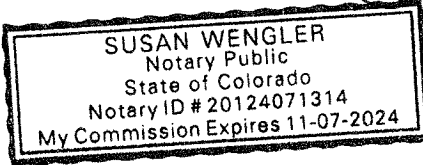
cc: Vivienne Ball - Environmental Law Team, Legal Services Division,
Justice and Solicitor General
Kyla Mahar, Miller Thomson LLP
Tom Gusa, Dentons Canada LLP
Josh Inglett, Byron Levkulich - Mantle Materials Group, Ltd.
Caireen Hanert, Zafar Jaffer, Stephen Kroeger, Gowling WLG (Canada) LLP

THIS IS EXHIBIT "D" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



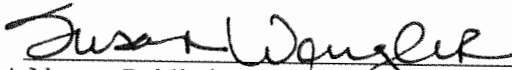
<i>Summary of Government of Alberta invoices in connection with 2019 public land royalties, rent and interest</i>								
	Statement Number	Date of Charge	Type of Charge	Description	SML	Charge	GST	Total
	4898014	11-Feb-2020	Royalty	Sand & Gravel Royalty	SML 060060	3,029.40	151.47	3,180.87
	4898014	11-Feb-2020	Royalty	Sand Royalty	SML 060060	150.71	7.54	158.25
	4898342	13-Feb-2020	Royalty	Sand & Gravel Royalty	SML 060060	773.50	38.68	812.18
	4898342	13-Feb-2020	Royalty	Sand Royalty	SML 060060	0.02	0.00	0.02
	4898636	20-Feb-2020	Rental	Rental Charge	SML 060060	294.00	0.00	294.00
	4937184	7-Apr-2020	Interest	Interest Charge	SML 060060	79.28	0.00	79.28
	4896308	26-Apr-2020	Rental	Rental Charge	SML 080085	560.00	0.00	560.00
	4919209	24-Jun-2020	Rental	Rental Charge	SML 100085	560.00	0.00	560.00
	4898287 ** opening balance	7-Feb-2020	Rental	Rental Charge	SML 110025	560.00	28.00	588.00
	4898287	7-Feb-2020	Royalty	Sand & Gravel Royalty	SML 110025	12,598.08	629.90	13,227.98
	4898398	12-Feb-2020	Royalty	Sand & Gravel Royalty	SML 110025	-4,505.66	-225.28	-4,730.94
	4918398	10-Mar-2020	Interest	Interest Charge	SML 110025	90.49	0.00	90.49
	4937254	7-Apr-2020	Interest	Interest Charge	SML 110025	85.18	0.00	85.18
	4896333	11-Apr-2020	Rental	Rental Charge	SML 110026	560.00	28.00	588.00
	4898174	7-Feb-2020	Royalty	Sand & Gravel Royalty	SML 110026	384.36	19.22	403.58
	4937238	7-Apr-2020	Interest	Interest Charge	SML 110026	7.83	0.00	7.83
	4898210	7-Feb-2020	Royalty	Sand Royalty	SML 110045	9,446.78	472.34	9,919.12
	4898416	12-Feb-2020	Royalty	Sand Royalty	SML 110045	141.50	7.08	148.58
	4852353	18-Mar-2020	Rental	Rental Charge	SML 110046	497.00	0.00	497.00
	4940288	21-Apr-2020	Interest	Interest Charge	SML 110046	5.73	0.00	5.73
	4960346	19-May-2020	Interest	Interest Charge	SML 110046	4.59	0.23	4.82
	4852281	18-Mar-2020	Rental	Rental Charge	SML 110047	560.00	28.00	588.00
	4940281	21-Apr-2020	Interest	Interest Charge	SML 110047	6.47	0.00	6.47
	4960366	19-May-2020	Interest	Interest Charge	SML 110047	5.17	0.00	5.17
	4918578 ** opening balance	16-Mar-2020	Rental	Rental Charge	SML 120005	580.65	0.00	580.65
	4918578	16-Mar-2020	Royalty	Sand & Gravel Royalty	SML 120005	114,639.30	5,731.97	120,371.27
	4918578	16-Mar-2020	Interest	Interest Charge	SML 120005	30.65	0.00	30.65
						141,145.03	6,917.13	148,062.16
<i>Summary of Government of Alberta invoices in connection with 2020 public land royalties, rent & interest</i>								
<i>- INVOICES FOR 2020 ROYALTY CHARGES WILL NOT BE RECEIVED UNTIL MARCH/APRIL 2021</i>								
	Statement Number	Date of Charge	Type of Charge	Description	SML	Charge	GST	Total
	5065318	7-Jan-2021	Rental	Rental Charge	DML 120032	691.90	34.60	726.50
	5065357	13-Jan-2021	Rental	Rental Charge	SML 120027	35.00	1.75	36.75
	5133665	26-Apr-2021	Rental	Rental Charge	SML 080085	560.00	0.00	560.00
	5003225	28-Jul-2020	Interest	Interest Charge	SML 100085	6.38	0.00	6.38

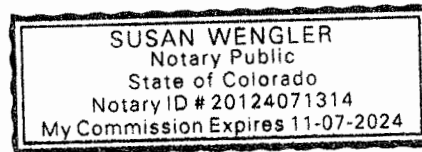
	5022468	25-Aug-2020	Interest	Interest Charge	SML 100085	4.57	0.00	4.57
	5086518	11-Feb-2021	Rental	Rental Charge	SML 110025	560.00	28.00	588.00
	5134497	11-Apr-2021	Rental	Rental Charge	SML 110026	560.00	28.00	588.00
	5107196	18-Mar-2021	Rental	Rental Charge	SML 110045	546.00	0.00	546.00
	5107189	18-Mar-2021	Rental	Rental Charge	SML 110046	497.00	0.00	497.00
	5107201	18-Mar-2021	Rental	Rental Charge	SML 110047	560.00	28.00	588.00
	5002156	5-Oct-2020	Rental	Rental Charge	SML 120005	553.00	27.65	580.65
						4,573.85	148.00	4,721.85
Estimated 2020 Government of Alberta Royalties:								
	Statement Number	Date of Charge	Type of Charge	Description	SML	Charge	GST	Total
	Annual Return Filed - Awaiting Invoice	Pending	Royalty	Sand & Gravel Royalty	SML 120005	48,900.00	2,445.00	51,345.00
	Annual Return Filed - Awaiting Invoice	Pending	Royalty	Sand & Gravel Royalty	SML 110047	46,422.00	2,321.10	48,743.10
	Annual Return Filed - Awaiting Invoice	Pending	Royalty	Sand Royalty	SML 110045	4,275.60	213.78	4,489.38
	Annual Return Filed - Awaiting Invoice	Pending	Royalty	Sand & Gravel Royalty	SML 110025	1,522.80	76.14	1,598.94
	Annual Return Filed - Awaiting Invoice	Pending	Royalty	Sand & Gravel Royalty	SML 060060	2,704.80	135.24	2,840.04
						103,825.20	5,191.26	109,016.46

THIS IS EXHIBIT "E" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



Inv. No. 35659

February 23, 2021

JMB Crushing Systems Inc.
PO Box 6977
Bonnyville, AB T9N 2H4
Via Email: tylerpell@jmbcrush.com

Attention: Mr. Tyler Pell
Aggregate Resource Manager

NOTICE OF NON-COMPLIANCE

Alberta Environment and Parks (AEP) has identified numerous instances of JMB Crushing Systems Inc.'s (JMB) non-compliance with pits covered by dispositions held by JMB. On February 17, 2021 AEP finished a review of the terms and conditions of the following dispositions and satellite imagery of the lands covered by the dispositions:

SML 930040	08-23-061-07-W4M	Expired
SML 980116	SW-21-063-12-W4M	Expired
SML 120027	NW-20-074-08-W4M	Active

Public Lands Act

AEP has determined that as it relates to one or all of the dispositions listed above, JMB has:

- caused, permitted, or allowed an undesirable excavation to exist on public land;
- caused, permitted, or allowed the creation of conditions likely to result in soil erosion on public land; and
- contravened one or more provisions of the dispositions.

The above are contraventions of the *Public Lands Act*:

54(1)(b) "No person shall cause, permit or suffer the existence on public land of any...excavation or any kind that is undesirable or otherwise in contravention of this Act or the regulations."

54(1)(f) "No person shall cause, permit or suffer the creation of any condition on public land which is likely to result in soil erosion."

56(1)(n) "A person who as the holder of a disposition, contravenes a provision of the disposition is guilty of an offence."

Public Lands Administration Regulation

AEP has determined that as it relates to one or all of the dispositions listed above, JMB has:

- failed to pay fees owing to AEP;
- failed to comply with the terms and conditions of the disposition;
- failed to adhere to disturbance standards;
- failed to reclaim land to an equivalent land capability following expiry of the disposition;
- allowed or caused loss or damage on the subject land; and
- failed to report these non-compliance issues to the Director.

The above are contraventions of the *Public Lands Administration Regulation*:

21(1)(b) "The holder of a formal disposition must pay promptly and regularly any rent, rate, royalty, charge or fee that is payable by the holder under the formal disposition, the Act or this Regulation."

21(1)(d) "The holder of a formal disposition must comply with the terms and conditions of the formal disposition."

21(1)(e) "The holder of a formal disposition must comply with any disturbance standards applicable to the formal disposition or the subject land."

21(1)(f) "The holder of a formal disposition must, on the expiry, cancellation, surrender or abandonment of the formal disposition, reclaim the subject land to an equivalent land capability."

21(1)(g) "The holder of a formal disposition shall not cause or allow unauthorized loss or damage on the subject land."

165(1) "A person responsible for a reportable event must report the event to the Department as soon as possible and in any event not later than 7 days after the person became aware, or should reasonably have become aware, of its occurrence."

AEPs investigation into potential other contraventions of the *Public Lands Act* and *Public Lands Administration Regulation* are ongoing.

Written Plan to Resolve Non-Compliance

For each disposition listed above, JMB Crushing Systems Inc. is required to submit a written plan

to AEP by no later than **February 26, 2021**:

- detailing its assessment of the disposition against the terms and conditions of the disposition, the *Public Lands Act* and the *Public Lands Administration Regulation*;
- describing how JMB plans to bring each disposition into compliance with the *Public Lands Act*, *Public Lands Administration Regulation*, and the terms and conditions of the disposition, including a timeline to completion;
- stating its immediate plans to operate the pit on the lands contained in SML 120027.

Please be advised that enforcement action arising from the above mentioned contraventions may be taken without further notice. Should you have any questions, please contact the undersigned at 780-623-5483 or by email at nathan.polturak@gov.ab.ca.

Respectfully,



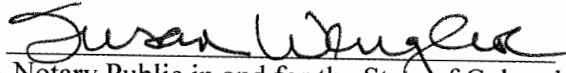
Nathan Polturak, P.Biol.
Environmental Protection Officer
Regulatory Assurance Division – North District

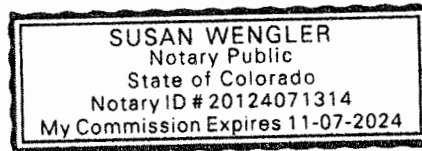
CC: Heather Dent, Compliance Manager
Maxwell Harrison, Compliance Manager (acting)
Neil Brad, Regulatory Assurance Manager
Bryon LevKulich, Mantles Materials Group Ltd.
Josh Inglett, Mantles Materials Group Ltd.
Tom Cumming, Gowling WLG (Canada) LLP

THIS IS EXHIBIT "F" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



Inv. No. 35659

February 23, 2021

2161889 Alberta Ltd.
PO Box 6977
Bonnyville, AB T9N 2H4
Via Email: tylerpell@jmbcrush.com

Attention: Mr. Tyler Pell
Aggregate Resource Manager

NOTICE OF NON-COMPLIANCE

Alberta Environment and Parks (AEP) has identified numerous instances of 2161889 Alberta Ltd.'s (216) non-compliance with the pit covered by SML 060060. On February 17, 2021 AEP finished a review of the terms and conditions of SML 060060 and satellite imagery of the lands covered by SML 060060.

Public Lands Act

AEP has determined that as it relates to SML 060060, 216 has:

- caused, permitted, or allowed loss or damage to public land;
- caused, permitted, or allowed the creation of conditions likely to result in soil erosion on public land; and
- contravened one or more provisions of the disposition.

The above are contraventions of the *Public Lands Act*:

54(1)(c) "No person shall cause, permit or suffer the existence on public land of any condition that may cause loss or damage to the public land."

54(1)(f) "No person shall cause, permit or suffer the creation of any condition on public land which is likely to result in soil erosion."

56(1)(n) "A person who as the holder of a disposition, contravenes a provision of

the disposition is guilty of an offence.”

Public Lands Administration Regulation

AEP has determined that as it relates to SML 060060, 216 has:

- failed to pay fees owing to AEP;
- failed to comply with the terms and conditions of the disposition;
- failed to adhere to disturbance standards;
- allowed or caused loss or damage on the subject land; and
- failed to report these non-compliance issues to the Director.

The above are contraventions of the *Public Lands Administration Regulation*:

21(1)(b) “The holder of a formal disposition must pay promptly and regularly any rent, rate, royalty, charge or fee that is payable by the holder under the formal disposition, the Act or this Regulation.”

21(1)(d) “The holder of a formal disposition must comply with the terms and conditions of the formal disposition.”

21(1)(g) “The holder of a formal disposition shall not cause or allow unauthorized loss or damage on the subject land.”

165(1) “A person responsible for a reportable event must report the event to the Department as soon as possible and in any event not later than 7 days after the person became aware, or should reasonably have become aware, of its occurrence.”

AEP’s investigation into potential other contraventions of the *Public Lands Act* and the *Public Lands Administration Regulation* are ongoing.

Water Act

In October 2020, AEP conducted an inspection of SML 060060 and identified an end pit lake present at the disposition. On February 17, 2021, AEP confirmed the existence of the end pit lake through satellite imagery. Based on a review of its databases, AEP determined that no authorization has been issued for the creation of a waterbody at this location. This is a contravention of section 36(1) of the *Water Act*, which states:

“No person may commence or continue an activity except pursuant to an approval, unless it is otherwise authorized under this Act.”

Written Plan to Resolve Non-Compliance

For SML 060060, 2161889 Alberta Ltd. is required to submit a written plan to AEP by no later than **February 26, 2021**:

- detailing its assessment of the disposition against the terms and conditions of SML 060060, the *Public Lands Act* and the *Public Lands Administration Regulation*;
- describing how 216 plans to bring the disposition into compliance with the *Public Lands Act*, *Public Lands Administration Regulation*, and the terms and conditions of the disposition, including a timeline to completion; and
- stating its immediate plans to operate the pit on the lands contained in SML 060060.

Please be advised that enforcement action arising from the above mentioned contraventions may be taken without further notice. Should you have any questions, please contact the undersigned at 780-623-5483 or by email at nathan.polturak@gov.ab.ca.

Respectfully,



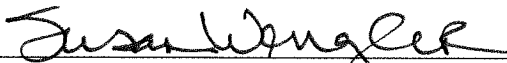
Nathan Polturak, P.Biol.
Environmental Protection Officer
Regulatory Assurance Division – North District

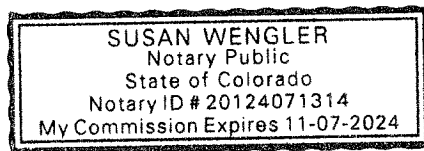
CC: Heather Dent, Compliance Manager
Neil Brad, Regulatory Assurance Manager
Maxwell Harrison, Compliance Manager (acting)
Bryon LevKulich, Mantles Materials Group Ltd.
Josh Inglett, Mantles Materials Group Ltd.
Tom Cumming, Gowling WLG (Canada) LLP

THIS IS EXHIBIT "G" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado





JMB Crushing Systems
P.O. Box 6977
Bonnyville, AB T9N 2H4

February 24, 2021

April Franks
Environmental Protection Officer
Regional Compliance
Environment and Parks
1st fl 250 Diamond Avenue
Spruce Grove, AB T7X 4C7

**Re: Written Plan to Resolve Non-Compliances – Investigation No. 35659
Buksa 15048-03-02, Havener 17395-01-00, Kucy 306490-00-00, MacDonald 293051-00-00,
Megley 149949-00-00, Okane 263318-00-00,**

This letter is submitted by JMB Crushing Systems Inc. (“JMB”) in response to your February 12, 2021 letter in which Alberta Environment and Parks (“AEP”) required a written plan (the “Plan”) to be submitted by February 18, 2021. Further clarification of the letter and the requirements were discussed during a follow up meeting with AEP and JMB on February 16, 2021. An extension to February 24, 2021 was requested by JMB after the meeting and granted by AEP.

As you are aware, pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act* (the “CCA”) made on May 1, 2020, JMB and its subsidiary, 2161889 Alberta Ltd. (“216”), were granted protection from their creditors and FTI Consulting Canada Inc. was appointed as their monitor (the “Monitor”). The Court subsequently approved a sale and investment solicitation procedure, under which the Monitor and a sale advisor marketed the assets of JMB and 216. The only viable proposal to purchase certain core assets of JMB and 216 was set out in a bid submitted by Mantle Resources Group, Ltd. (“Mantle”). Pursuant to an asset purchase agreement dated September 28, 2020 between JMB and 216 as vendors and Mantle as purchaser, and a plan of arrangement filed by JMB and Mantle, the core assets of JMB and 216 were to be vested in Mantle, Mantle was to assume specific liabilities, and the remaining assets and liabilities of JMB were to be vested in 216.

Mantle, JMB and 216 intend to amend and restate the purchase agreement and plan of arrangements such that a new corporation will be incorporated (“ResidualCo”), JMB and 216 will retain their respective public lands dispositions and registrations under the *Environmental Protection and Enhancement Act* (the “EPEA”) and the majority of their core assets that were previously to be vested in Mantle, and certain residual non-regulated assets and all non-assumed liabilities will be vested in ResidualCo. The effect of



JMB Crushing Systems
P.O. Box 6977
Bonnyville, AB T9N 2H4

this is that Mantle and JMB would be subsidiaries of RLF Canada Holdings Limited, 216 would remain a subsidiary of JMB, JMB and 216 would emerge as solvent companies from the CCAA proceedings, and Mantle would fund the combined business of the three corporations. The revised transaction contemplates that replacement security will be provided for the pits subject to EPEA registration nos. 15048-03-02, 17395-01-00, 306490-00-00, 293051-00-00, 149949-00-00, 263318-00-00 and 308161-00-00.

As previously discussed with you, in order to enable a supply contract with the Municipal District of Bonnyville No. 87 to be performed, JMB is required to commence operations in the Shankowski pit (registration no. 308161-00-00), and therefore Mantle will provide the funds to JMB to permit this security to be posted in cash form. Also, a revised Activity Plan addressing the non-compliances is to be immediately filed so that the registration can be put into good standing. This is subject to a letter sent concurrently with this letter.

Mantle is exiting CCAA under challenging market conditions and without a sales backlog. Current and first year financial pressures play a factor in financing the outstanding reclamation. Mantle will perform progressive reclamation on the pits as production is performed. As markets and sales improve there will be opportunity to align reclamation implementation with crushing operations. This approach takes advantages of the economies of scale with heavy equipment and personnel already on site. Fully addressing the current volume of outstanding reclamation for all the pits is proposed to take four years with some pits only taking three years. Reclamation in the first year of operations will be of a smaller scale on the private land pits and each year after that will increase to meet, in some cases, a four-year timeframe. General details are presented below, and further detail will be presented in each individual Updated Activity Plan ("UAP") submission in relation to any unique technical details of operations and reclamation.

With the potential June 2021 deployment of the new Sand & Gravel framework and digital platform, all required UAP's applications are proposed to be submitted by May 31, 2021.

Updated reclamation security amounts will be submitted as part of AEP's typical UAP approval process.



The following criteria was used for the assessment and planning of each individual pit non-compliance and/or issue:

Assessment

- Desktop review of the current conditions of the pit.
- Review current Activity Plan to compare against current conditions.
- Determination of issue and/or further detailing of non-compliance and when it likely occurred.

Plans to address issues and bring pit into compliance

- List out tasks that, when implemented, go towards getting the pit back into compliance and/or address issues.

Written Plan Information by Pit

Buksa 15048-03-02

Assessment of Pit

- Non-compliance: security
- 2017 UAP covers current disturbance area.
- ~3.5 ha of the 17.6 ha of COP registration area is reclaimed.

Plan to bring pit into compliance

- Post security.

Timeline

- Post security as part of the closing of CCAA court proceedings.

Havener 17395-01-00

Assessment of Pit

- Non-compliances: security, boundary, 5 year report
- Large disturbance area inside and outside registration boundary.
- Boundary non-compliance, sequencing, and improved progressive reclamation need to be addressed and updated through an UAP submission.
- 20% of total disturbed area is revegetated as a form of temporary reclamation.



Plan to bring into compliance

- UAP submission.
- Post security.
- Submit 5 year report.
- Implementation of sequencing and reclamation based on UAP.

Timeline

- 5 year report submitted February 18, 2021.
- UAP application submission - May 31, 2021.
- Post security as part of the closing of CCAA court proceedings – Upon acceptance of the UAP.
- Implementation of operational and reclamation improvements within three years of UAP approval.

Scheduling factors

- Frost free resource assessment in disturbed areas.
- Larger amount of reclamation liability and/or effort required to address issues.
- First year budget and annual budgeting for the foreseeable future .
- Development, submission, and AEP review time for final approval of an UAP application before operations and improved reclamation can be implemented.

Kucy 306490-00-00

Assessment of Pit

- Non-compliances: security, boundary, Water Act
- Boundary presented by AEP is incorrect and there are no JMB operations in SW 20-63-09-W4.
- Working in the water table and an end pit water body design is documented in the current approved Activities Plan (2012 approval). Also referenced is bailing as a method of the working in the water table and no requirement for a Water Act approvals based on the *Guide to the code of practice for pits*.
- Current water body surface area is 1.5 ha, approved area in Activities Plan is 0.6 ha.
- Aside from the operations outside the registration boundary, the mining sequence was followed but not completed.



Plan to bring into compliance

- UAP submission for reclamation.
- Post security.
- Implementation of final reclamation based on UAP.
- Work with AEP to determine final Water Act approval requirements for designed end pit lake or filling in water body.

Timeline

- UAP application submission - May 31, 2021.
- Water Act submission – TBD in 2021 based on results of consultation with AEP.
- Post security as part of the closing of CCAA court proceedings – Upon acceptance of the UAP.
- Implementation of final reclamation within three years of UAP approval.

Scheduling factors

- First year budget and annual budgeting for the foreseeable future.
- Effort and time to receive approval from landowners for final reclamation plan as there will be no Royalty Agreement in place which gives us the right to access the land for and reclamation.
- Due diligence and frost free testing of resource by 3rd party (Urlacher Construction) that has an interest in taking over the registration of the pit.
- Development, submission, and AEP review time for final approval of an UAP application before reclamation can be implemented.
- Frost free assessment of pit waterbodies and the typical time period to acquire the applicable Water Act approvals.

MacDonald 293051-00-00

Assessment of Pit

- Non-compliances: security, boundary
- UAP application was submitted in 2018 to formally address boundary non-compliance and update mining plans. The UAP itself was reviewed by Stephen Abioye, AEP and only the submission of the updated security amount to AEP was required to have the registration formally updated. JMB was unable to provide additional funds to cover off the updated security amount. May 1st, 2020 JMB sought and obtained an initial order from the Court of



the Queen's Bench of Alberta under the CCAA. The 2018 UAP application was withdrawn May 22, 2020 on the advice of Stephen.

- Current disturbance used for inventory storage and needing reclamation is ~5.7 ha.

Plan to bring into compliance

- UAP re-submission for final operations and reclamation.
- Post security.

Timeline

- UAP application submission - March 31, 2021.
- Post security as part of the closing of CCAA court proceedings – Upon acceptance of the UAP.
- Implementation of final reclamation within three years of UAP approval.

Scheduling factors

- Existing inventory and likelihood of selling it within two years.
- Effort and time to receive approval from landowner for final operations and reclamation plan as there is no Royalty Agreement in place which gives us the right to access the land.

Megley 149949-00-00

Assessment of Pit

- Non-compliances: security, boundary, Water Act
- Boundary non-compliance, sequencing, and final reclamation need to be addressed and updated through an UAP submission.
- The creation of a water body and working in the water table in the east were not approved or applied for under the Water Act.
- Water body was not proposed in current Activities Plan.
- Approximately 40% of the total pit disturbance inside and outside of the registration boundary has already been reclaimed and harvested as a commercial crop by a local farmer.

Plan to bring into compliance

- UAP submission for reclamation.
- Post security.
- Implementation of final reclamation based on UAP.



-
- Work with AEP to determine final Water Act approval requirements for filling in created water body.

Timeline

- UAP application submission – May 31, 2021.
- Post security as part of the closing of CCAA court proceedings – Upon acceptance of the UAP.
- Water Act submission – TBD based on results of consultation with AEP.
- Implementation of final reclamation within three years of UAP approval.

Scheduling factors

- First year budget and annual budgeting for the foreseeable future.
- Effort and time to receive approval from landowner for final reclamation plan even though there is a Royalty Agreement in place which gives us the right to access the land for and reclamation.
- Development, submission, and AEP review time for final approval of an UAP application before reclamation can be implemented.
- Frost free assessment of pit waterbodies and the typical time period to acquire the applicable Water Act approvals.
- Larger amount of reclamation liability and/or effort required to address issues.

Okane 263318-00-00

Assessment of Pit

- Non-compliances: security, boundary, 5 year report
- Of the 8 ha of original registration area, approximately 5.1 ha has been reclaimed.
- The current disturbed area requiring reclamation is 6.8 ha.
- Inside the registration area the mining sequence was followed.

Plan to bring into compliance

- UAP submission for reclamation.
- Post security.
- Implementation of final reclamation based on UAP.

Timeline

- 5 year report submitted February 18, 2021.



-
- UAP application submission – April 30, 2021.
 - Post security as part of the closing of CCAA court proceedings – Upon acceptance of the UAP.
 - Implementation of final reclamation within 3 years of UAP approval.

Scheduling factors

- First year budget and annual budgeting for the foreseeable future.
- Effort and time to receive approval from new landowner for final reclamation plan even though there is a Royalty Agreement in place which gives us the right to access the land for and reclamation.
- Development, submission, and AEP review time for final approval of an UAP application before final reclamation can be implemented.

See attached table that summarizes the unique details of reported non-compliances and maps showing the current registration boundary and 2020 imagery.

If you have any questions please contact the undersigned.

Regards,

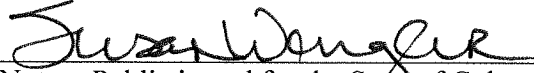
A handwritten signature in cursive script that reads 'Tyler Pell'.

Tyler Pell
Aggregates Resource Manager
JMB Crushing Systems Inc.
tylerpell@jmbcrushing.com
1.780.815.0139

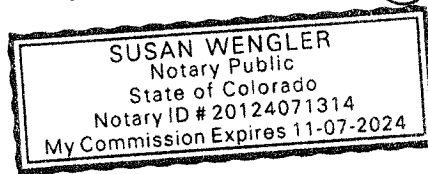
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THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021



A Notary Public in and for the State of Colorado





JMB Crushing Systems
P.O. Box 6977
Bonnyville, AB T9N 2H4

February 24, 2021

April Franks
Environmental Protection Officer
Regional Compliance
Environment and Parks
1st fl 250 Diamond Avenue
Spruce Grove, AB T7X 4C7

**Re: Written Plan to Resolve Non-Compliances – Investigation No. 35659
Shankowski 308161-00-00**

This letter is submitted by JMB Crushing Systems Inc. (“JMB”) in response to your February 12, 2021 letter in which Alberta Environment and Parks (“AEP”) required a written plan (the “Plan”) to be submitted by February 18, 2021. Further clarification of the letter and the requirements were discussed during a follow up meeting with AEP and JMB on February 16, 2021. An extension to February 24, 2021 was requested by JMB after the meeting and granted by AEP.

As previously discussed with you, in order to enable a supply contract with the Municipal District of Bonnyville No. 87 to be performed, JMB is required to commence operations in the Shankowski pit (registration no. 308161-00-00), and therefore Mantle will provide the funds to JMB to permit this security to be posted in cash form. Also, a revised Activity Plan addressing the non-compliances is to be immediately filed so that the registration can be put into good standing.

As you are aware, pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act* (the “CCAA”) made on May 1, 2020, JMB and its subsidiary, 2161889 Alberta Ltd. (“216”), were granted protection from their creditors and FTI Consulting Canada Inc. was appointed as their monitor (the “Monitor”). The Court subsequently approved a sale and investment solicitation procedure, under which the Monitor and a sale advisor marketed the assets of JMB and 216. The only viable proposal to purchase certain core assets of JMB and 216 was set out in a bid submitted by Mantle Resources Group, Ltd. (“Mantle”). Pursuant to an asset purchase agreement dated September 28, 2020 between JMB and 216 as vendors and Mantle as purchaser, and a plan of arrangement filed by JMB and Mantle, the core assets of JMB and 216 were to be vested in Mantle, Mantle was to assume specific liabilities, and the remaining assets and liabilities of JMB were to be vested in 216.



Mantle, JMB and 216 intend to amend and restate the purchase agreement and plan of arrangements such that a new corporation will be incorporated ("ResidualCo"), JMB and 216 will retain their respective public lands dispositions and registrations under the *Environmental Protection and Enhancement Act* (the "EPEA") and the majority of their core assets that were previously to be vested in Mantle, and certain residual non-regulated assets and all non-assumed liabilities will be vested in ResidualCo. The effect of this is that Mantle and JMB would be subsidiaries of RLF Canada Holdings Limited, 216 would remain a subsidiary of JMB, JMB and 216 would emerge as solvent companies from the CCAA proceedings, and Mantle would fund the combined business of the three corporations. The revised transaction contemplates that replacement security will be provided for the pits subject to EPEA registration nos. 15048-03-02, 17395-01-00, 306490-00-00, 293051-00-00, 149949-00-00, 263318-00-00 and 308161-00-00.

Mantle is exiting CCAA under challenging market conditions and without a sales backlog. Current and first year financial pressures play a factor in financing the outstanding reclamation. Mantle will perform progressive reclamation on the Shankowski pit as production is performed. As markets and sales improve there will be opportunity to align reclamation implementation with crushing operations. This approach takes advantages of the economies of scale with heavy equipment and personnel already on site. Fully addressing the current volume of outstanding reclamation for all this pit is proposed to take four years. Reclamation in the first year of operations will be of a smaller scale on the pit and each year after that will increase to meet the four-year timeframe. General details are presented below, and further detail will be presented in the Updated Activity Plan ("UAP") submission in relation to any unique technical details of operations and reclamation.

Reclamation security will be posted as part of AEP's typical UAP approval process.

The following criteria was used for the assessment and planning of the Shankowski pit non-compliance and outstanding mining sequencing issue:

Assessment

- Desktop review of the current conditions of the pit
- Review current Activity Plan to compare against current conditions.
- Determination of issue and/or further detailing of non-compliance and when it likely occurred



Plans to address issues and bring pit into compliance

- List out tasks that, when implemented, go towards getting the pit back into compliance and/or address issues

Shankowski 308161-00-00

Assessment of Pit

- Non-compliances: security, boundary
- Large disturbance area inside and outside registration boundary
- Boundary non-compliance, sequencing, and improved progressive reclamation need to be addressed and updated through an UAP submission
- Previous disturbed area in the NW was disturbed prior to the registration being transferred to JMB late 2018. This area was included in the February 18, 2020 UAP submission.
- UAP application was submitted in 2018 to cover boundary non-compliance and update mining plans. The UAP was in the process of being reviewed by Stephen Abioye, AEP and a SIR response was being prepared by JMB but on May 1st, 2020 JMB sought and obtained an initial order from the Court of the Queen's Bench of Alberta under the CCAA. The 2018 UAP application was withdrawn May 22, 2020 on the advice of Stephen Abioye.
- There is no reclamation on the current 23 ha of disturbed area inside and outside of the registration area

Plan to bring into compliance

- UAP submission
- Post security
- Implementation of sequencing and reclamation based on approved UAP

Timeline

- UAP application submission – Week of February 22 to 26, 2021
- Replace security as part of the closing of CCAA court proceedings – Once UAP is approved
- Implementation of operational and reclamation improvements within four years of UAP approval

Scheduling factors

- Amount of reclamation liability and/or effort required to address issues
- First year budget and annual budgeting for the foreseeable future
- Frost free resource assessment in disturbed areas



JMB Crushing Systems
P.O. Box 6977
Bonnyville, AB T9N 2H4

Approval from landowner for updated operational plans and reclamation even though there is a royalty agreement in place which gives us the right to access the land for and reclamation

See attached table that summarizes the unique details of reported non-compliances and map showing the current registration boundary laid over 2020 imagery.

If you have any questions please contact the undersigned.

Regards,

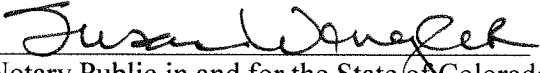
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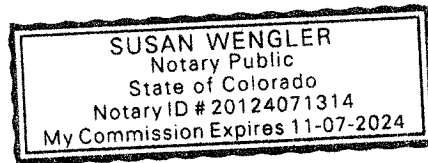
Tyler Pell
Aggregates Resource Manager
JMB Crushing Systems Inc.
tylerpell@jmbcrushing.com
1.780.815.0139

THIS IS EXHIBIT "I" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



February 26, 2021

Nathan Polturak
Regulatory Assurance Division
North District
2nd Flr Provincial Building
9503 Beaver Hill Road
Lac La Biche, Alberta T0A 2C0
Phone: (780) 623-5240

**Re: Written Plan to Resolve Non-Compliances – Investigation No. 35659
SML 060060**

This letter is submitted by 2161889 Alberta Ltd. (“216”) in response to your February 23, 2021 letter in which Alberta Environment and Parks (“AEP”) required a written plan (the “Plan”) to be submitted by February 26, 2021. Further clarification of the letter and the requirements were discussed during a follow up meeting between yourself and Tyler Pell on February 23, 2021.

As you may be aware, pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act* (the “CCAA”) made on May 1, 2020, JMB and its subsidiary, 2161889 Alberta Ltd. (“216”), were granted protection from their creditors and FTI Consulting Canada Inc. was appointed as their monitor (the “Monitor”). The Court subsequently approved a sale and investment solicitation procedure, under which the Monitor and a sale advisor marketed the assets of JMB and 216. The only viable proposal to purchase certain core assets of JMB and 216 was set out in a bid submitted by Mantle Resources Group, Ltd. (“Mantle”). Pursuant to an asset purchase agreement dated September 28, 2020 between JMB and 216 as vendors and Mantle as purchaser, and a plan of arrangement filed by JMB and Mantle, the core assets of JMB and 216 were to be vested in Mantle, Mantle was to assume specific liabilities, and the remaining assets and liabilities of JMB were to be vested in 216.

Mantle, JMB and 216 intend to amend and restate the purchase agreement and plan of arrangements such that a new corporation will be incorporated (“ResidualCo”), JMB and 216 will retain their respective public lands dispositions and registrations under the *Environmental Protection and Enhancement Act* (the “EPEA”) and the majority of their core assets that were previously to be vested in Mantle, and certain residual non-regulated assets and all non-assumed liabilities will be vested in ResidualCo. The effect of this is that Mantle and JMB would be subsidiaries of RLF Canada Holdings Limited, 216 would remain a

subsidiary of JMB, JMB and 216 would emerge as solvent companies from the CCAA proceedings, and Mantle would fund the combined business of the three corporations.

JMB and 216 are exiting CCAA under challenging market conditions and without a sales backlog. Current and first year financial pressures play a factor in financing the outstanding reclamation. Mantle will perform progressive reclamation on a number of pits as production is performed. As markets and sales improve there will be opportunity to align reclamation implementation with active operations. This approach takes advantages of the economies of scale with heavy equipment and personnel already in the same general area. Fully addressing the current volume of outstanding reclamation for all the pits is proposed to take four years with some pits only taking three years. Reclamation in the first year of operations will be of a smaller scale on numerous pits and each year after that will increase to meet, in some cases, a four-year timeframe. Details are presented below, and further detail will be presented in any applicable regulatory submissions.

The following criteria was used for the assessment and planning of each individual pit non-compliance and/or issue:

Assessment

- Desktop review of the current conditions of the pit.
- Review current Activity Plan to compare against current conditions.
- Determination of issue and/or further detailing of non-compliance and when it likely occurred.

Plans to address issues and bring pit into compliance

- List out tasks that, when implemented, go towards getting the pit back into compliance and/or address issues.

Written Plan Information

SML 060060

Assessment of Pit

- Non-compliance: Water Act (unauthorized water body)
- The creation of a water body was not authorized under the Water Act or presented in the Conservation and Reclamation Business Plan (CRBP).
- The construction of the water body and all other disturbances existed before 216 was assigned SML 060060 in March 2019.
- JLG Ball Enterprises is believed to be the operator of the pit prior to March 2019.
- 216 has not operated in the water body since being assigned the disposition.
- 216's operations since March 2019 have not increased the overall disturbance footprint of the disposition or further disturbed areas logged or trees but not previously striped of the original root mat. Only a very minor amount of earthworks was completed on area already devoid of topsoil. This was necessary to support the hauling of saleable crushed material produced by the previous operator of the SML.
- Total disposition area 16.77 ha.
 - 3.9 ha - Area with trees removed and original root mat and soils undisturbed.
 - 3.6 ha - Recontoured area with topsoil replaced.
 - 1.2 ha - Recontoured area yet to receive topsoil.
 - 4.1 ha – Disturbed (active operations area)
 - 1.3 ha – Water body
 - 1.2 ha – Disturbed – temporary revegetation
 - 0.5 ha – Soil storage
 - 1.0 ha – Undisturbed
- Evidence of parent materials being washed away past the SML boundary into adjacent undisturbed forest to the south.
- Potential boundary non-compliance in south.
- Mining sequence
 - Timber was harvested over the entire site as one event sometime in 2017.
 - Excavation occurred in portions of mining cell #1, #3, and #4.
 - Topsoil stripping and excavation was not implemented in mining cell #2. Portions of the other mining cells also have area not stripped of topsoil and excavated.

Plan to bring pit into compliance

- Engage the services of a legal land surveyor to survey the southern boundary in question. Forward results to AEP for further consultation and possible action.
- Work with AEP to determine final Water Act authorization requirements for filling in the constructed water body.
- Update CRBP as needed.
- Submit non-compliance for construction of water body without authorization.

Timeline

- Non-compliance submission – Week of March 1st, 2021.
- Legal survey of southern boundary – Two weeks after closing of CCAA court proceedings.
- Frost free site assessment in relation to erosion concerns and constructed water body – May 15, 2021.
- Water Act submission – TBD in 2021 based on results of consultation with AEP.
- CRBP update submission - TBD in 2021 based on results of consultation with AEP.
- Earthworks to deconstruct water body - TBD in 2021 based on results of consultation with AEP.

Scheduling factors

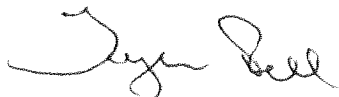
- Closing date of CCAA court proceedings.

Immediate Plans to operate the pit

- 216 has no immediate plans to operate the pit for production purposes.
- 216 is in negotiations with Skoreyko Crushing Ltd for the assignment of the disposition to Skoreyko Crushing Ltd.

If you have any questions please contact the undersigned.

Regards,



Tyler Pell

Aggregates Resource Manager

JMB Crushing Systems Inc.

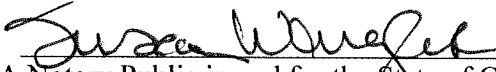
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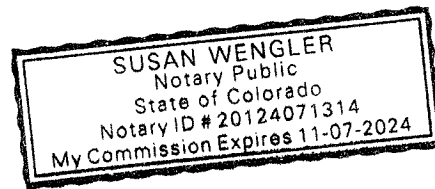
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THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



February 26, 2021

Nathan Polturak
Regulatory Assurance Division
North District
2nd Flr Provincial Building
9503 Beaver Hill Road
Lac La Biche, Alberta T0A 2C0
Phone: (780) 623-5240

**Re: Written Plan to Resolve Non-Compliances – Investigation No. 35659
SML 060060**

This letter is submitted by 2161889 Alberta Ltd. (“216”) in response to your February 23, 2021 letter in which Alberta Environment and Parks (“AEP”) required a written plan (the “Plan”) to be submitted by February 26, 2021. Further clarification of the letter and the requirements were discussed during a follow up meeting between yourself and Tyler Pell on February 23, 2021.

As you may be aware, pursuant to an order of the Court of Queen’s Bench of Alberta (the “Court”) under the *Companies’ Creditors Arrangement Act* (the “CCAA”) made on May 1, 2020, JMB and its subsidiary, 2161889 Alberta Ltd. (“216”), were granted protection from their creditors and FTI Consulting Canada Inc. was appointed as their monitor (the “Monitor”). The Court subsequently approved a sale and investment solicitation procedure, under which the Monitor and a sale advisor marketed the assets of JMB and 216. The only viable proposal to purchase certain core assets of JMB and 216 was set out in a bid submitted by Mantle Resources Group, Ltd. (“Mantle”). Pursuant to an asset purchase agreement dated September 28, 2020 between JMB and 216 as vendors and Mantle as purchaser, and a plan of arrangement filed by JMB and Mantle, the core assets of JMB and 216 were to be vested in Mantle, Mantle was to assume specific liabilities, and the remaining assets and liabilities of JMB were to be vested in 216.

Mantle, JMB and 216 intend to amend and restate the purchase agreement and plan of arrangements such that a new corporation will be incorporated (“ResidualCo”), JMB and 216 will retain their respective public lands dispositions and registrations under the *Environmental Protection and Enhancement Act* (the “EPEA”) and the majority of their core assets that were previously to be vested in Mantle, and certain residual non-regulated assets and all non-assumed liabilities will be vested in ResidualCo. The effect of this is that Mantle and JMB would be subsidiaries of RLF Canada Holdings Limited, 216 would remain a

subsidiary of JMB, JMB and 216 would emerge as solvent companies from the CCAA proceedings, and Mantle would fund the combined business of the three corporations.

JMB and 216 are exiting CCAA under challenging market conditions and without a sales backlog. Current and first year financial pressures play a factor in financing the outstanding reclamation. Mantle will perform progressive reclamation on a number of pits as production is performed. As markets and sales improve there will be opportunity to align reclamation implementation with active operations. This approach takes advantages of the economies of scale with heavy equipment and personnel already in the same general area. Fully addressing the current volume of outstanding reclamation for all the pits is proposed to take four years with some pits only taking three years. Reclamation in the first year of operations will be of a smaller scale on numerous pits and each year after that will increase to meet, in some cases, a four-year timeframe. Details are presented below, and further detail will be presented in any applicable regulatory submissions.

The following criteria was used for the assessment and planning of each individual pit non-compliance and/or issue:

Assessment

- Desktop review of the current conditions of the pit.
- Review current Activity Plan to compare against current conditions.
- Determination of issue and/or further detailing of non-compliance and when it likely occurred.

Plans to address issues and bring pit into compliance

- List out tasks that, when implemented, go towards getting the pit back into compliance and/or address issues.

Written Plan Information

SML 060060

Assessment of Pit

- Non-compliance: Water Act (unauthorized water body)
- The creation of a water body was not authorized under the Water Act or presented in the Conservation and Reclamation Business Plan (CRBP).
- The construction of the water body and all other disturbances existed before 216 was assigned SML 060060 in March 2019.
- JLG Ball Enterprises is believed to be the operator of the pit prior to March 2019.
- 216 has not operated in the water body since being assigned the disposition.
- 216's operations since March 2019 have not increased the overall disturbance footprint of the disposition or further disturbed areas logged or trees but not previously striped of the original root mat. Only a very minor amount of earthworks was completed on area already devoid of topsoil. This was necessary to support the hauling of saleable crushed material produced by the previous operator of the SML.
- Total disposition area 16.77 ha.
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- Evidence of parent materials being washed away past the SML boundary into adjacent undisturbed forest to the south.
- Potential boundary non-compliance in south.
- Mining sequence
 - Timber was harvested over the entire site as one event sometime in 2017.
 - Excavation occurred in portions of mining cell #1, #3, and #4.
 - Topsoil stripping and excavation was not implemented in mining cell #2. Portions of the other mining cells also have area not stripped of topsoil and excavated.

Plan to bring pit into compliance

- Engage the services of a legal land surveyor to survey the southern boundary in question. Forward results to AEP for further consultation and possible action.
- Work with AEP to determine final Water Act authorization requirements for filling in the constructed water body.
- Update CRBP as needed.
- Submit non-compliance for construction of water body without authorization.

Timeline

- Non-compliance submission – Week of March 1st, 2021.
- Legal survey of southern boundary – Two weeks after closing of CCAA court proceedings.
- Frost free site assessment in relation to erosion concerns and constructed water body – May 15, 2021.
- Water Act submission – TBD in 2021 based on results of consultation with AEP.
- CRBP update submission - TBD in 2021 based on results of consultation with AEP.
- Earthworks to deconstruct water body - TBD in 2021 based on results of consultation with AEP.

Scheduling factors

- Closing date of CCAA court proceedings.

Immediate Plans to operate the pit

- 216 has no immediate plans to operate the pit for production purposes.
- 216 is in negotiations with Skoreyko Crushing Ltd for the assignment of the disposition to Skoreyko Crushing Ltd.

If you have any questions please contact the undersigned.

Regards,



Tyler Pell

Aggregates Resource Manager

JMB Crushing Systems Inc.

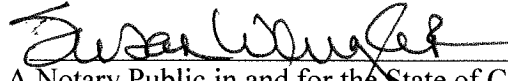
tylerpell@jmbcrushing.com

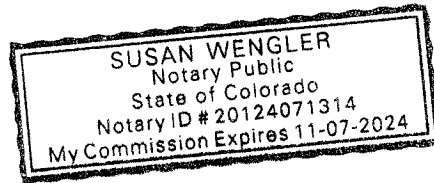
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THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



PARTY ACQUIRING OR RETAINING TRANSACTION ASSETS

Type of Asset	Sub-categorizations	Party Acquiring or Retaining Asset	Comment
Acquired Assets			
Assigned Contracts	Axon software licence ISNetworld software licence ComplyWorks software licence JLG Ball non-competition agreement	Mantle	
Atlas Shares		Mantle	
Books and Records		Mantle	
Miscellaneous Assets	Business and goodwill Intellectual Property Causes of Action other than Accounts Receivable	Mantle	
JMB Active Royalty Agreements, and the interest in the JMB Active Royalty Lands and JMB Reserves thereunder	Havener Royalty Agreement, Shankowski Royalty Agreement, Andrychuk Royalty Agreement, Lafarge Moose River Royalty Agreement, Lafarge Oberg Royalty Agreement	Mantle	Royalty Registrations to be retained by JMB
JMB Retained Assets			
JMB Equipment	Fiera Equipment, Enterprise Equipment, miscellaneous equipment on Bonnyville leased lands, at the included Aggregate Pits and at the Edmonton premises	JMB	
JMB Dispositions, and the interest in the JMB Disposition Lands and JMB Reserves thereunder	SML 120027, SML 930040, SML 980116, DML 120032, SME 150106, SME 200009	JMB	
JMB Real Property		JMB	
JMB Royalty Registrations and other JMB Permits		JMB	
JMB's Tranche B Inventory		JMB	
Specific Contracts	Bonnyville Supply Contract, Cenovus Agreement, Bonnyville Lease, and the JMB Miscellaneous Operational Contracts	JMB	
Other Inventory ¹		JMB	
216 Retained Assets			
216 Dispositions and the interest in the 216 Disposition Lands and 216 Reserves thereunder	SML 060060, DLO 170011, SML 080085, SML 110025, SML 110026, SML 110045, SML 110046, SML 110047, SML 120005, SML 120006, SML 120100, SML 100085	216	Proposed to vest SML 060060 and DLO 170011 in Skoreyko
216 Reserves		216	

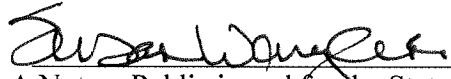
¹ Inventory owned by JMB or in which JMB has an interest not located on JMB Real Property, Bonnyville Lands, JMB Disposition Lands, JMB Active Royalty Lands or JMB Inactive Royalty Lands, but excluding for certainty the Excluded Inventory

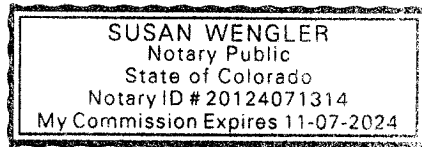
Type of Asset	Sub-categorizations	Party Acquiring or Retaining Asset	Comment
216 Permits		216	
216's Tranche B Inventory		216	
216 Miscellaneous Operational Contracts		216	
Excluded ResidualCo Assets			
PMSI Property		Residual Co	
Excluded Inventory		Residual Co	
Accounts Receivable		Residual Co	
Excluded Books and Records		Residual Co	
Excluded Real Property		Residual Co	
JMB Inactive Royalty Agreements and the interest of JMB in the JMB Inactive Royalty Lands		Residual Co	
Rejected Contract not disclaimed under section 32 of the CCAA		Residual Co	
Excluded Disposed Assets			
Fiera Disposed Equipment		Third party purchaser	
Fiera Eastside Equipment		Eastside	
Rejected Contracts disclaimed under s. 32 CCAA		Counterparty to Rejected Contract	
property or assets disposed of by a Vendor following the Filing Date		Third party purchasers	

THIS IS EXHIBIT "L" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



AMENDED AND RESTATED PURCHASE AGREEMENT

BETWEEN

JMB CRUSHING SYSTEMS INC.,

a corporation incorporated pursuant to the laws of the Province of British Columbia

- AND -

2161889 ALBERTA LTD.,

a corporation incorporated pursuant to the laws of the Province of Alberta

- AND -

MANTLE MATERIALS GROUP, LTD.,

a corporation incorporated pursuant to the laws of the Province of British Columbia

March ●, 2021

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AMENDED AND RESTATED PURCHASE AGREEMENT

THIS AGREEMENT made as of the ____ day of March, 2021.

BETWEEN:

JMB CRUSHING SYSTEMS INC., a corporation formed under the laws of the Province of British Columbia ("**JMB**") and **2161889 ALBERTA LTD.**, a corporation formed under the laws of the Province of Alberta ("**216**", and together with JMB, the "**Vendors**")

- and -

MANTLE MATERIALS GROUP, LTD., a corporation incorporated pursuant to the laws of the Province of British Columbia (the "**Purchaser**")

CONTEXT:

A. The Vendors applied to the Court of Queen's Bench of Alberta (the "**Court**") for protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-35, as amended (the "**CCAA**", and such proceedings, the "**CCAA Proceedings**"), and pursuant to an Order of the Honourable Justice K.M. Eidsvik pronounced on May 1, 2020 (the "**Filing Date**"), as subsequently amended and restated on May 11, 2020, the Court declared that the Vendors were companies to which the CCAA applied, stayed all proceedings against the Vendors, appointed FTI Consulting Canada Inc. as monitor of the Vendors (the "**Monitor**"), and approved a sale and investor solicitation process (the "**SISP**") for the solicitation of offers for the sponsorship of the Plan or the purchase and sale of the business and assets of the Vendors.

B. Pursuant to a Sale Proposal (as defined in the SISP) submitted by Mantle to the Monitor, the Vendors entered into an amended and restated asset purchase agreement dated September 28, 2020, as amended October 2, 2020 (such asset purchase agreement as amended being the "**Original APA**"), pursuant to which the Vendors were to sell and the Purchaser was to purchase certain assets of the Vendors and assume certain liabilities upon and subject to the terms and conditions set forth in the Original APA.

C. The Court pronounced a sale approval and vesting order (the "**Original SAVO**"), assignment order under section 11.3 of the CCAA (the "**Original Assignment Order**"), reverse vesting order (the "**Original RVO**") and sanction order (the "**Original Sanction Order**") on October 16, 2020, which Original Sanction Order approved a plan of arrangement under the CCAA and BC BCA (the "**Original Plan**").

D. The Original APA was conditional, *inter alia*, upon Alberta Environment & Parks (the "**AEP**") approving transfers of certain Permits and Dispositions, and the Parties have been unable to obtain a commitment from the AEP to grant such approvals.

E. The Parties have agreed to amend and restate the Original APA and the Original Plan and apply to the Court for Orders amending and restating the Original SAVO, the Original RVO and the Original Sanction Order, subject to the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"216" is defined in the introductory paragraph of this Agreement.

"216 Inventory" means Inventory located on the 216 Disposition Lands.

"216 Disposition Lands" means the lands subject to one or more 216 Dispositions.

"216 Dispositions" means the Dispositions listed on **Schedule B** under the heading "216 Dispositions".

"216 Miscellaneous Operational Contracts" means Contracts with Counterparties which are municipal or other Governmental Authorities or other Persons relating to 216 Dispositions and 216 Disposition Lands.

"216 Reserves" means the Aggregate Reserves located in and under the 216 Disposition Lands.

"216 Retained Assets" means the 216 Dispositions, 216 Disposition Lands, 216 Reserves in and thereunder, 216 Permits, 216 Inventory and 216 Miscellaneous Operational Contracts.

"216 Permits" means any Permits held by 216 relating to the Aggregate Pits subject to 216 Dispositions.

"Accounts Receivable" means all accounts receivable and other amounts due, owing or accruing due to a Vendor, including bills receivable, trade accounts, book debts employee loans and advances, supplier rebate accruals, freight prepaid and charged and insurance claims due to the Vendor resulting from the sale of goods or services in the ordinary course of the business, and including any cash balances held by a Vendor or the Monitor prior to Closing, but excluding any Bonnyville Proceeds.

"Acquired Assets" means the Business, the Assigned Contracts, the JMB Active Royalty Agreements and the interest in the JMB Active Royalty Lands and JMB Reserves thereunder, the Atlas Shares, the Books and Records and the Miscellaneous Assets.

"Acquisition and Reorganization Transaction Orders" means, collectively, the Amended SAVO, the Amended RVO, the Amended Sanction Order and the Amended Assignment Order.

"Acquisition and Reorganization Transactions" means the transactions provided for or contemplated in this Agreement, including the transfer, vesting and assignment of the Acquired Assets in the Purchaser pursuant to the Amended SAVO and the Amended Assignment Order, the transfer and vesting of the Excluded ResidualCo Assets and Excluded Liabilities in

ResidualCo and the assumption by ResidualCo of the Excluded Liabilities pursuant to the Amended RVO, and the transactions and steps contemplated by the Amended Plan and Amended Sanction Order, and "**Transaction**" means any one of them.

"**Adjustment Item**" is defined in Section 3.6(a).

"**Adjustment Time**" means 11:59 pm on the Closing Date.

"**Adjustments**" means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.6.

"**AEP**" is defined in Recital D.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under common control with, such Person. The term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" means this amended and restated purchase agreement, which amends and restates the Original APA, together with the schedules attached hereto, as amended or supplemented from time to time, and the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this asset purchase agreement. "**Article**", "**Section**" and "**Subsection**" mean and refer to the specified article, section and subsection of this Agreement.

"**Aggregate**" means aggregates including granular base course gravels, asphalt pavement aggregates, concrete and weeping tile rock, sand and other aggregates.

"**Aggregate Pit**" means a pit and other infrastructure located on Lands subject to an Aggregate Pit Agreement.

"**Aggregate Pit Agreements**" means the 216 Dispositions, the JMB Dispositions and the JMB Royalty Agreements identified on **Schedule B** and all amendments, renewals and extensions of such documents and all documents issued in substitution therefor.

"**Aggregate Reserves**" means reserves of Aggregate located in and under the Lands subject to the Aggregate Pit Agreements and in and under the JMB Real Property that has not been extracted as of the date of this Agreement.

"**Amended Plan**" is defined in Section 2.3.

"**Amended RVO**" is defined in Section 2.4(b).

"**Amended Sanction Order**" is defined in Section 2.4(c).

"**Amended SAVO**" is defined in Section 2.4(a).

"**Andrychuk Royalty Agreement**" means the Royalty Agreement made as of February 26, 2020 between Darren Andrychuk & Daphne Andrychuk and JMB in respect of the Aggregate Pit located at SW 15-57-14-W4.

“Applicable Law” means, with respect to any Person, property, transaction, event, business or other matter, any federal, state, provincial, local, domestic or foreign constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Permit, order or other requirement of any Governmental Authority whether or not having the force of law relating or applicable to such Person, property, transaction, event, business or other matter.

“Assigned Contracts” means the Contracts listed on **Schedule C** together with any other Contract identified by the Purchaser in writing to the Vendors prior to Closing that has not been sold to a Third Party under the SISP or disclaimed under section 32 of the CCAA.

“Assumed Debt” means, collectively, the ATB Assumed Debt and the Fiera Assumed Debt.

“Assumed Liabilities” is defined in Section 2.5.

“ATB” means ATB Financial.

“ATB Agreement” means an agreement to which the Vendors, the Purchaser and ATB are party governing the ATB Assumed Debt, which agreement shall be in form and substance satisfactory to the Vendors, the Purchaser and ATB.

“ATB Assumed Debt” means that portion of the ATB Indebtedness that the Purchaser becomes liable for under and pursuant to the provisions of the Plan and the ATB Agreement, which based upon the estimated tonnes of Acquired Tranche B Aggregate as of the date of this Agreement, and the value of the JMB Real Property, is \$2,116,071.

“ATB Indebtedness” means all of the indebtedness, liabilities and obligations of JMB under the ATB Loan and Security Documents.

“ATB Loan and Security Documents” means the loan and security documents granted by JMB to ATB.

“ATB Mortgage” means a mortgage granted by JMB in favour of ATB against the JMB Real Property.

“Atlas Shares” means all of the shares in the capital of Atlas Aggregates Inc. held by JMB, including without limitation 7,820,077 Class “A” Common Shares therein.

“BC BCA” means *Business Corporations Act*, SBC 2002, c 57.

“Bid” means any offer or bid by a Vendor to a Counterparty to sell or supply Aggregate whether or not such offer or bid has been accepted by such Counterparty.

“Bonnyville Supply Contract” means the supply agreement entered into November 1, 2013 between the Municipal District of Bonnyville No. 87 and JMB, as amended by the first amendment dated September 30, 2015, the second amendment dated December 12, 2016, the third amendment dated February 26, 2018, and the amendment to agreement dated February 28, 2020.

“Bonnyville Lease” means the lease dated September 1, 2011 between 489786 Alberta Ltd. as landlord and JMB as tenant, as amended September 3, 2015, December 12, 2016, February 26, 2018 and March 1, 2020, in respect of the Bonnyville Lands.

“Bonnyville Lands” means the lands and premises located at NW-20-61-5-4 in Bonnyville, Alberta and referred to as the JMB Yard.

“Bonnyville Proceeds” means any amounts paid or payable to JMB under the Bonnyville Supply Contract in respect of the extraction and processing of Aggregate and its sale to the Municipal District of Bonnyville No. 87 during the 2021 calendar year, provided, however, that the term “Bonnyville Proceeds” shall be limited to include only any such amounts which: (i) are derived during the 2021 calendar year; and, (ii) have been funded by the Purchaser or CARC, as set out in, and pursuant to, the Interim Project Management Agreement.

“Books and Records” means all Information maintained relating to or in connection with the Transaction Assets or the tax or financial position of the Vendors other than personal information relating to Employees who are not Transferred Employees.

“Business” means the business carried on by the Vendors specifically utilizing the Transaction Assets including the operation of the Aggregate Pits and the extraction, processing, sale and transportation of Aggregates therefrom, and the goodwill associated therewith.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday in the Province of Alberta.

“CARC” means Canadian Aggregate Resource Corporation.

“CaseLines Filesite” means the website identified as “Canada.caselines.com” and maintained in respect of the CCAA Proceedings.

“CaseLines Order” means an Order of the Honourable Justice K.M. Eidsvik pronounced on May 29, 2020 providing for the uploading of pleadings, documents and materials filed in the CCAA Proceedings onto the CaseLines Filesite and deeming such uploading to be proper service on all Persons named in the Service List.

“CCAA” is defined in Recital A.

“CARC Advance” is defined in Section 3.3.

“CCAA Proceedings” is defined in Recital A.

“Claims” means all past, present and future Proceedings, claims, suits, actions, charges, penalties, causes of action, demands, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees (on a full solicitor and their own client indemnity basis) and other professional fees and disbursements of any nature or any kind whatsoever, but, for greater certainty, shall not include any claims made for Adjustments or re-adjustments as contemplated or permitted herein.

“Class A JMB Shares” means Class A common shares in the capital of JMB.

“Closing” means the closing and consummation of the Acquisition and Reorganization Transactions on the Closing Date, including without limitation the payment of the Purchase Price and the delivery of the Closing Documents.

"Closing Date" means 12:00 p.m. (Mountain Time) on the second (2nd) Business Day immediately following the date that the conditions precedent in Sections 5.1, 5.2 and 5.3 are satisfied or waived or on such other Business Day as the Parties may agree in writing.

"Closing Documents" means, collectively, all of the agreements, instruments and other documents to be delivered by the Vendors to the Purchaser pursuant to Section 6.2 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendors pursuant to Section 6.3.

"Confidentiality Agreement" means the confidentiality and non-disclosure agreement dated June 19, 2020 between Sales Advisor and CARC.

"Consent" means any consent, approval, permit, waiver, ruling, exemption, authorization, or acknowledgement from any Person, including a Government Authority, which is required in respect of or pursuant to the terms of any Contract or Permit in connection with a Transaction.

"Contract" means any legally binding contract, agreement, obligation, undertaking, instrument, mortgage, commitment or other arrangement, whether written or oral.

"Cooperation Agreement" means an agreement between the Purchaser, ATB, Fiera and certain other Persons in form and substance acceptable to such parties.

"Counterparty" means a Third Party that is party to a Contract or to whom a Bid is made.

"Cost Allocation Agreement" is defined in Section 5.1(d).

"Court" is defined in Recital A.

"Cure Costs" means:

- (a) the aggregate amount of any monetary defaults under a Restricted Agreement which must be cured under section 11.3(4) of the CCAA in order to obtain an Order under section 11.3(1) of the CCAA assigning the rights and obligations of a Vendor thereunder to the Purchaser; or
- (b) the aggregate amount of moneys paid to Counterparties under an Assigned Contract to obtain the Counterparty's Consent to its assignment,

less any amounts required to be paid by the Vendors as Adjustments.

"Data Room Information" means all information provided to the Purchaser in relation to the Vendors, their Affiliates, the Business, the Assumed Liabilities or the Transaction Assets.

"Deposit" is defined in Subsection 3.3.

"Disposition" means a disposition of land of the Crown in right of Alberta under the *Public Lands Act*, RSA 2000, Ch. P-40.

"Eastside" means Eastside Rock Products, Inc., a corporation incorporated under the state laws of Washington, which is a subsidiary of JMB.

“Edmonton Lease” means the lease dated May 31, 2019 between 9046-22 Ave Inc. as landlord and JMB as tenant in respect of the Edmonton Premises.

“Edmonton Premises” means the premises municipally known as 9046 – 22nd Avenue SW, Edmonton, Alberta, having approximately 2,298 square feet.

“Employees” means the individuals who are employed or retained on contract by a Vendor (including individuals employed or retained on a full-time or part-time basis).

“Enterprise Contract” means the master equity lease agreement dated August 27, 2019 in respect of open-end (equity) lease schedule between JMB and Enterprise Fleet Management, relating to the Enterprise Equipment.

“Enterprise Equipment” means a 2019 Ford F-15- XLT 4x4 SuperCrew Cab Styleside 6.5, Unit 239DGD, VIN 1FTFW1E52KFC66669.

“EPEA” means the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 and the regulations thereunder, including the Code of Practice for Pits issued thereunder.

“ETA” means Part IX of the *Excise Tax Act* (Canada).

“Excluded Books and Records” means all Information maintained relating to or in connection with the Excluded ResidualCo Assets or Excluded Liabilities together with personal information relating to Employees who are not Transferred Employees.

“Excluded Disposed Assets” means (a) any right, title or interest of JMB or 216 in or to the Fiera Disposed Equipment or the Fiera Eastside Equipment, (b) any Rejected Contracts that have been disclaimed by the Vendor party thereto under section 32 of the CCAA, and (d) any other property or assets disposed of by a Vendor between the Filing Date and Closing.

“Excluded Inventory” means (a) 10,201.82 tonnes of Inventory currently located on the Bonnyville Lands which according to the records of JMB was transferred from another property; (b) 4,415 tonnes of Inventory categorized as 14 mm pea gravel and 7,500 tonnes of Inventory located on the Lands subject to the Shankowski Royalty Agreement, to the extent that such Aggregate is not owned by JMB; and (c) the Inventory on the lands subject to the Kalinko Operating Agreement.

“Excluded Liabilities” is defined in Section 2.6.

“Excluded Real Property” means the lands and premises legally described as all that portion of the South West Quarter of Section Eleven (11), Township Fifty Seven (57), Range Six (6), West of the Fourth Meridian, lying to the west of the westerly limit of land required for railway purposes, as shown on Plan 7521297 and south of the south limit of Road Plan 3445BM, containing 7.17 hectares (17.72 acres) more or less excepting thereout all mines and minerals and the right to work the same.

“Excluded ResidualCo Assets” means (a) the PMSI Property, (b) the Excluded Inventory, (c) the Accounts Receivable, (d) the Excluded Books and Records, (e) the Excluded Real Property, (f) the JMB Inactive Royalty Agreements and the interest of JMB in the JMB Inactive Royalty Lands granted thereunder, and (g) any Rejected Contract which has not been disclaimed under section 32 of the CCAA.

“**Fiera**” means Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. (“**Fund VI**”) and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI.

“**Fiera Assumed Debt**” means that portion of the Fiera Indebtedness that the Purchaser becomes liable for under and pursuant to the provisions of the Plan and the Fiera Exit Loan Agreement.

“**Fiera Disposed Equipment**” means any personal property in which a Vendor has or had an interest against which the Security Interest in favour of Fiera ranked in priority to any Security Interest in favour of any other Person that was sold, or subject to an agreement to sell, to a Person other than the Purchaser prior to Closing pursuant to the SISP or otherwise, including the equipment listed on **Schedule D** under the heading “Fiera Disposed Equipment”.

“**Fiera Eastside Equipment**” means the equipment in which JMB has an interest which is located on property that Eastside had access to in the State of Washington, including the equipment listed on **Schedule D** under the heading “Fiera Eastside Equipment”.

“**Fiera Equipment**” means the equipment listed on **Schedule C** other than any such equipment that becomes Fiera Disposed Equipment.

“**Fiera Exit Loan Agreement**” means a loan agreement between Fiera and the Purchaser in respect of the Fiera Assumed Debt.

“**Fiera Indebtedness**” means all of the indebtedness, liabilities and obligations of JMB under the Fiera Loan Agreements.

“**Fiera Loan Agreements**” means, collectively, the loan agreement effective October, 2019 between JMB as borrower, Eastside and 216 as guarantors, and Fund VI as lender and the amended and restated loan agreement effective December 14, 2018 between JMB as borrower, Eastside as guarantor, and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc. as lender.

“**Fiera Loan and Security Documents**” mean the Fiera Loan Agreements and the other loan and security agreements and documents contemplated by the Fiera Loan Agreements.

“**Filing Date**” is defined in Recital A.

“**Final Order**” means an Order that is issued by the Court in the CCAA Proceedings that is not (a) subject to any appeal process, (b) stayed, or (c) otherwise enjoined.

“**Governmental Authority**” means any (a) domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (b) agency, authority, ministry, department, regulatory body, commission, court, central bank, bureau, board or other instrumentality having legislative, judicial (including courts and arbitrators), regulatory, prosecutorial, administrative or taxing authority or powers, or having functions of, or pertaining to, government, (c) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association, in each case, having requisite jurisdiction or authority in the relevant circumstances, and (d) any quasi-governmental or private body

exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"GST" means goods and services tax and/or harmonized sales tax payable pursuant to the ETA.

"Havener Royalty Agreement" means the Royalty Agreement made as of November 8, 2018 between Helen Havener, Gail Havener and JMB in respect of the Aggregate Pit located at NW 16-56-7-W4M, which Aggregate Pit is registered under the EPEA as registration no. 17395-01-00.

"Independent Accountant" means any nationally recognized firm of chartered accountants mutually acceptable to the Vendors and the Purchaser, each acting reasonably.

"Information" means any books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, tax returns and other data and information, including all data and information stored on computer-related or other electronic media.

"Interim Period" is defined in Section 4.3(a).

"Interim Project Management Agreement" means the interim project management agreement between JMB and the Purchaser pursuant to which the Purchaser arranges the provision of working capital pursuant to the Interim Financing Agreement for and manages the operations required in order to permit the performance of JMB's obligations under the Bonnyville Supply Contract, which agreement is substantially in the form attached as **Schedule H**.

"Inventory" means extracted Aggregate owned by JMB or 216 or in which JMB or 216 has an interest.

"JMB" is defined in the introductory paragraph of this Agreement.

"JMB Active Royalty Agreements" means the Royalty Agreements listed on **Schedule B** under the heading 3 which are listed as the "JMB Active Royalty Agreements".

"JMB Active Royalty Lands" means the lands subject to one or more JMB Active Royalty Agreements.

"JMB Disposition Lands" means the lands subject to one or more JMB Dispositions.

"JMB Dispositions" means the Dispositions listed on **Schedule B** under the heading "JMB Dispositions".

"JMB Equipment" means (a) the Fiera Equipment, (b) the Enterprise Equipment, and (c) all facilities, machinery, equipment (including motor vehicles and all manufacturing and quality control equipment, cellular phones, and office equipment including computer equipment), boilers, electrical substations, fixtures, furniture, furnishings, vehicles, material handling equipment, implements, inventories of maintenance and spare parts, tools and tooling supplies, accessories and all other tangible or corporeal property of any kind located in or on the Bonnyville Lands, the Aggregate Pits or at the Edmonton Premises.

"JMB Inactive Royalty Agreements" means the Royalty Agreements listed on **Schedule B** under the heading 4 which are listed as the "JMB Inactive Royalty Agreements".

“JMB Inactive Royalty Lands” means the lands subject to one or more JMB Inactive Royalty Agreements.

“JMB Inventory” means Inventory located on the JMB Disposition Lands, JMB Active Royalty Lands and JMB Inactive Royalty Lands.

“JMB Miscellaneous Operational Contracts” means Contracts with Counterparties which are municipal or other Governmental Authorities or other Persons relating to JMB Dispositions, JMB Disposition Lands, JMB Active Royalty Agreements and JMB Active Royalty Lands.

“JMB Permits” means any Permits held by JMB relating to the Aggregate Pits subject to JMB Dispositions or and JMB Active Royalty Agreements or JMB Inactive Royalty Agreements, including the JMB Royalty Registrations.

“JMB Real Property” means the lands and premises owned by JMB containing 64.7 hectares (160 acres) more or less, and legally described as NE ¼ of 35-56-6-W4M with title number 922 302 625.

“JMB Reserves” means the Aggregate Reserves located in and under the JMB Disposition Lands and the JMB Active Royalty Lands.

“JMB Retained Assets” means (a) the JMB Equipment, (b) the JMB Dispositions and the interest of JMB in the JMB Disposition Lands thereunder, (c) the JMB Real Property, (d) the JMB Royalty Registrations and other JMB Permits, (e) the JMB Inventory, (f) the Contracts consisting of the Bonnyville Supply Contract, the Cenovus Energy master service and supply agreement 700322 effective as of March 13, 2020 between Cenovus Energy Inc. and JMB, the Bonnyville Lease, and the JMB Miscellaneous Operational Contracts, and (g) Inventory owned by JMB or in which JMB has an interest not located on JMB Real Property, Bonnyville Lands, JMB Disposition Lands, JMB Active Royalty Lands or JMB Inactive Royalty Lands, but excluding for certainty the Excluded Inventory.

“JMB Royalty Registrations” means the registrations held by JMB under the EPEA in respect of the Aggregate Pits located on the JMB Active Royalty Lands and the JMB Inactive Royalty Lands.

“Kalinko Operating Agreement” means the sand & gravel operating agreement made as of June 12, 2012 between Tim Kalinski, Jessica Brennan, Matthew Kalinski, Zachariah Kalinski, Elisha Kalinski, Kalinko Enterprises Ltd. and JMB, as amended by agreement revision number 1 dated June 12, 2017, as further amended from time to time.

“Lafarge” is defined in **Schedule B**.

“Lands” means: (a) the 216 Disposition Lands, the JMB Disposition Lands and the JMB Active Royalty Lands; (b) the JMB Real Property; and (c) the Bonnyville Lands.

“Letter of Intent” means the Qualified LOI dated June 19, 2020 provided by CARC to the Monitor and the Sales Agent in accordance with the SISF.

“Liabilities” means debts, liabilities and obligations, whether accrued or fixed, liquidated or unliquidated, absolute or contingent, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law and those arising under any Contract or otherwise, and **“Liability”** means any one of the Liabilities.

“Lien” means any lien, hypothec (including legal hypothecs), Security Interest, encumbrance, servitude, easement, encroachment, right-of-way, restrictive covenant on real or immovable property, contingent rights (including options and rights of first refusal), adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same.

“Losses” means all losses, costs, claims, damages, expenses and liabilities which a Person suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities, but shall include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from a Person.

“Minority Shares” means all shares in the capital of JMB other than the Class A JMB Shares and all other securities issued by JMB.

“Miscellaneous Assets” means, collectively: (a) all trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, owned by or licensed to a Vendor, including all associated registrations and applications for registration and all associated rights; (b) all rights, claims or causes of action by or in the right of a Vendor against any Person other than Accounts Receivable; and (c) any other property or assets as may be expressly agreed to by the Purchaser and the Vendors in writing prior to the Closing.

“Miscellaneous Closing Documents” is defined in Section 6.2(i).

“Monitor” is defined in Recital A.

“Non-Recourse Event” is defined in the Amended Plan.

“Notice” is defined in Section 11.13.

“Orders” means orders of the Court or any appellate or review court therefrom in the CCAA Proceedings, and **“Order”** is any one of the Orders.

“Original APA” is defined in Recital B.

“Original Assignment Order” is defined in Recital C.

“Original Plan” is defined in Recital C.

“Original RVO” is defined in Recital C.

“Original Sanction Order” is defined in Recital C.

"Original SAVO" is defined in Recital C.

"Parties" means each of the parties hereto collectively, and **"Party"** means any of them, as the case may be.

"Permit" means any permit, license, approval, consent, authorization, registration, or certificate issued by and conservation and reclamation business plans approved by a Governmental Authority including registrations issued by the AEP under any of the EPEA and/or PLA.

"Permitted Encumbrances" means any Liens, Claims or interests identified in **Schedule F** hereto or as otherwise set out and defined as such in the Amended SAVO.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or Governmental Authority.

"PLA" means the *Public Lands Act*, RSA 2000, c P-4 and all regulations thereunder.

"PMSI Property" means personal property listed on **Schedule E** under the heading "PMSI Property".

"Post-Closing Adjustments" is defined in Section 3.6(c).

"Proceeding" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding) or hearing commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel.

"Purchase Price" is defined in Section 3.1.

"Purchase Price and Retained Value Allocation" is defined in Section 3.2.

"Purchaser" is defined in the introductory paragraph of this Agreement.

"Reclamation Contribution" means the contribution of ATB or Fiera to the Reclamation Obligations relating to the JMB Inactive Royalty Lands provided for in the Cost Allocation Agreement.

"Reclamation Obligations" means the reclamation and remediation obligations in respect of the Aggregate Pits under the EPEA and the PLA.

"Rejected Contract" means any Contract to which a Vendor is party which is not an Assigned Contract, a JMB Retained Asset or a 216 Retained Asset, including the Contracts listed on **Schedule I**.

"Remaining ATB Debt" means the ATB Indebtedness in excess of the ATB Assumed Debt.

"Remaining Fiera Debt" means the Fiera Indebtedness in excess of the Fiera Assumed Debt.

“Representatives” means, with, respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants, counsel and representatives of that Party and its Affiliates.

“ResidualCo” means 2324159 Alberta Inc.

“Restricted Agreement” means an Assigned Contract pursuant to which the assignment of the rights and benefits of such Vendor thereunder requires the Consent of the Counterparty and such Consent is not obtained.

“Retained Value” is defined in Section 3.2.

“RLF Holding” means RLF Canada Holdings Limited, of which the Purchaser is a wholly owned subsidiary.

“Royalty Agreement” means a Contract consisting of an aggregate royalty agreement between a Third Party and JMB under which, *inter alia*, such Third Party grants to JMB, in exchange for payment of a royalty, the right to explore and prospect for, test, extract, process and dispose of Aggregates contained in and under the lands subject to such agreement, to have access and use of such lands and bring equipment and machinery onto such lands for such purposes, and to place and pile upon such lands excavated or processed Aggregates and other materials.

“Sale Advisor” is defined in the SISP.

“Sale Transaction” means the purchase and sale of the Acquired Assets provided for in this Agreement and the Amended SAVO.

“Secured Creditor” means the holder of a Security Interest.

“Security Interest” means any mortgage, charge or security interest in favour of a Person or leasehold interest of a Person that is a capital lessor.

“Service List” means the service list maintained by the Monitor in the CCAA Proceedings pursuant to paragraph 50 of the Initial Order, listing all Persons who have been identified as being entitled, or who have requested, to be served with pleadings, documents and materials filed with the Court from time to time in the CCAA Proceedings.

“Shankowski Royalty Agreement” means the Royalty Agreement made as of October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) in respect of an Aggregate Pit located at SW 21-56-7-W4, which Aggregate Pit is registered under the EPEA as registration no. 308161-00-00.

“SISP” is defined in Recital A.

“Source Deductions” means any amount referred to in subsections 11.09(1)(a) and (b) of the CCAA.

“Specific Conveyances” means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of a Vendor in and to the Acquired Assets to the Purchaser and to novate the Purchaser in the place and stead of such Vendor with respect to the Acquired Assets.

“Third Party” means any Person other than a Vendor or any Representative thereof.

“Tranche A Inventory” means the Inventory consisting of approximately (a) 5,300 tonnes of Des 6 Class 80 located on the Lands subject to SML110025, (b) 4,000 tonnes of Des 2 Class 25 located on the Lands subject to SML110025, and (c) 4,000 tonnes of Des 2 Class 25 located on the Lands subject to SML110026.

“Tranche B Inventory” means the Inventory listed on **Schedule G** which is located on (a) the Lands subject to the Havener Royalty Agreement, the Shankowski Royalty Agreement, (b) the 216 Dispositions identified as SML 110045, SML 110047 and SML 120005, and (c) the Bonnyville Lands.

“Transaction Assets” means the Acquired Assets, the JMB Retained Assets and the 216 Retained Assets, and **“Transaction Asset”** means any one of the Transaction Assets.

“Transferred Employee” means each Employee who accepts an offer of employment by, and commences employment with, the Purchaser in accordance with the terms of Section 4.2.

“Unrestricted Agreement” means an Assigned Contract that is not a Restricted Agreement.

“Vendor” and **“Vendors”** is defined in the introductory paragraph of this Agreement.

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section, or Schedule means an Article, Section, or Schedule of this Agreement, unless otherwise specified;

- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict; and
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule A	-	Purchase Price and Retained Value Allocation
Schedule B	-	Aggregate Pit Agreements
Schedule C	-	Assigned Contracts
Schedule D	-	Fiera Equipment
Schedule E	-	Excluded Equipment
Schedule F	-	Permitted Encumbrances
Schedule G	-	Tranche B Inventory
Schedule H	-	Interim Project Management Agreement
Schedule I	-	Rejected Contracts

ARTICLE 2 ACQUISITION AND REORGANIZATION TRANSACTIONS

2.1 Acquisition and Reorganization Transactions

- (a) Upon the satisfaction or waiver of the conditions in Sections 5.1, 5.2 and 5.3, and in consideration of the payment of the Purchase Price, the Vendors and Purchaser shall carry out the Acquisition and Reorganization Transactions pursuant to this Agreement and the Acquisition and Reorganization Transaction Orders, with the effect, *inter alia*, as follows:
 - (i) all of the right, title benefit, estate and interest of the Vendors in and to the Acquired Assets shall be transferred, conveyed, assigned and delivered to the Purchaser, free and clear of all Claims and Liens other than Permitted Encumbrances, pursuant to the Amended SAVO and Amended Assignment Order;
 - (ii) the JMB Retained Assets shall be retained by JMB but shall be free and clear of all Claims and Liens other than Permitted Encumbrances attaching to the JMB Retained Assets, which Claims and Liens shall be assigned to, vest in and be assumed by ResidualCo, all pursuant to the Amended RVO;
 - (iii) the 216 Retained Assets shall be retained by 216 but shall be free and clear of all Claims and Liens other than Permitted Encumbrances attaching to the 216 Retained Assets, which Claims and Liens shall be assigned to, vest in and be assumed by ResidualCo, all pursuant to the Amended RVO;
 - (iv) the Class A JMB Shares shall be transferred from CARC to RLF Holding pursuant to the Amended Sanction Order;

- (v) the Minority Securities shall be redeemed by JMB for no consideration and cancelled pursuant to the Amended Sanction Order; and
 - (vi) the Excluded ResidualCo Assets shall be transferred, conveyed, assigned and delivered to ResidualCo pursuant to the Amended RVO for no consideration payable by ResidualCo to the Vendors, but the Excluded ResidualCo Assets shall remain subject to all Claims and Liens attaching thereto.
- (b) Following Closing, JMB and 216 shall retain possession of the Excluded Books and Records and grant full access thereto to (i) ResidualCo, (ii) the Monitor, (iii) other Persons party to the Cooperation Agreement, and (iv) any other Person entitled to access to such Excluded Books and Records under, and to the extent permitted by, Applicable Law.
 - (c) The Closing of the Acquisition and Reorganization Transactions shall be on the Closing Date.
 - (d) For greater certainty, the Excluded Disposed Assets and any right, title or interest of JMB or 216 therein are expressly excluded from the Acquired Assets, the JMB Retained Assets and the 216 Retained Assets.

2.2 Title to Transaction Assets

The Purchaser acknowledges and agrees that title to the Transaction Assets will be subject to any Permitted Encumbrances attaching thereto. Any Claim or Lien registered against the right, title and interest of a Vendor in and to a Transaction Asset that is not a Permitted Encumbrance shall be vested from and discharged as against such Transaction Asset pursuant to the Amended SAVO or the Amended RVO, as applicable.

2.3 Amended Plan

Promptly following the execution of this Agreement, JMB and the Purchaser shall file an amended and restated plan of arrangement jointly under the CCAA and the BC BCA (the "**Amended Plan**") which provides, *inter alia*, as follows:

- (a) all issued and outstanding Minority Securities shall be redeemed for no consideration and cancelled;
- (b) all issued and outstanding Class A JMB Shares shall be transferred from CARC to RLF Holding for no consideration;
- (c) the ATB Indebtedness shall be arranged such that the Purchaser shall be deemed to have assumed the ATB Assumed Debt and the ATB Loan and Security Documents, and that portion of the ATB Assumed Debt relating to:
 - (i) the Tranche B Inventory shall be governed by, and the ATB Loan and Security Documents shall be subject to, the ATB Agreement, and the Security Interests created by ATB Loan and Security Documents shall, as between the Purchaser and ATB, secure on a several basis such portion of the ATB Assumed Debt and attach to the Tranche B Inventory and

proceeds thereof, and the recourse of ATB to recover such portion of the ATB Assumed Debt shall be limited to the Tranche B Inventory and the proceeds thereof; and

- (ii) the JMB Real Property shall be governed by the ATB Agreement and the ATB Mortgage, and the Security Interests created by the ATB Mortgage shall secure such portion of the ATB Assumed Debt and attach to the JMB Real Property, and the recourse of ATB to recover such portion of the ATB Assumed Debt shall be limited to the JMB Real Property,

provided that, upon the occurrence of the Non-Recourse Event, JMB and 216 shall cease to be liable for the Remaining ATB Debt as provided for in section 2.1(b) of the Amended Plan, without in any way detracting from the liability of ResidualCo for the Remaining ATB Debt in accordance with the Amended RVO; and

- (d) the Fiera Indebtedness shall be arranged such that the Purchaser shall be deemed to have assumed the Fiera Assumed Debt on the terms and subject to the provisions the Fiera Exit Loan Agreement, the Security Interests created by the Fiera Loan and Security Documents shall secure the Fiera Assumed Debt and attach to all of the Transaction Assets and other property and assets of the Purchaser, JMB and 216, on the terms set out in the Fiera Exit Loan Agreement, provided that, upon the occurrence of the Non-Recourse Event, JMB and 216 shall cease to be liable for the Remaining Fiera Debt in accordance with section 2.1(c) of the Amended Plan, without in any way detracting from the liability of ResidualCo for the Remaining Fiera Debt in accordance with the Amended RVO.

2.4 **Court Orders to Implement the Acquisition and Reorganization Transactions**

Promptly following the execution of this Agreement, the Vendors and the Purchaser shall apply to the Court, on notice to any Persons on the Service List in accordance with the Caselines Order, to any Person that holds or claims a Lien in or attaching to any of the Transaction Assets or Excluded ResidualCo Assets, or any other Person identified by the Purchaser, including uploading the relevant materials to the CaseLines Filesite, to obtain the following Orders, which Orders shall be in form and substance acceptable to the Purchaser, the Vendors and the Monitor, acting reasonably, or as ultimately approved by the Court:

- (a) an Order (the "**Amended SAVO**") amending and restating the Original SAVO, authorizing and approving this Agreement and the Acquisition and Reorganization Transactions, and vesting all of the right, title and interest of JMB and 216 in the Acquired Assets in and to the Purchaser, free and clear of all and Liens and Liabilities other than Permitted Encumbrances and Assumed Liabilities;
- (b) an Order (the "**Amended RVO**") amending and restating the Original RVO to:
 - (i) vest in ResidualCo all of the right, title and interest of JMB and 216 in the Excluded ResidualCo Assets, but subject to any Excluded Liabilities or Encumbrances securing or assuring the payment and performance of any Excluded Liabilities, such that (A) neither JMB nor 216 shall have any further obligation or liability under or in respect of any Excluded Liabilities other than the Remaining ATB Debt and Remaining Fiera Debt, which Remaining ATB Debt and Remaining Fiera Debt shall remain in full force

and effect in accordance with and subject to the terms and provisions of the Amended Plan, and (B) ResidualCo shall be liable to all Persons to whom any Excluded Liabilities are owed; and

- (ii) require that ResidualCo permit access by JMB to the JMB Inactive Royalty Lands in order to permit JMB to perform reclamation work thereon and sell any JMB Inventory located thereon, and

the Amended RVO shall record the vesting in Eastside of all the right, title and interest of JMB in the Fiera Eastside Equipment pursuant to the Original RVO;

- (c) an Order (the "**Amended Sanction Order**") amending and restating the Original Sanction Order, sanctioning the Amended Plan and providing relief under section 11.1 of the CCAA;
- (d) an Order (the "**Amended Assignment Order**") amending and restating the Original Assignment Order to delete (i) paragraph 14 of the Original Assignment Order, (ii) the bonds issued by Northbridge General Insurance Corporation, the Bonnyville Supply Contract and the Enterprise Contract from Schedule "A" to the Original Assignment Order, and (iii) Schedule "B" to the Original Assignment Order; and
- (e) such other Orders as reasonably required by the Purchaser in support of the foregoing.

2.5 **Assumed Liabilities**

Upon the satisfaction or waiver of the conditions in Sections 5.1, 5.2 and 5.3, effective on the Closing, the following Liabilities shall be assumed by the Purchaser or retained by JMB and 216, as applicable (collectively, the "**Assumed Liabilities**"):

- (a) the Purchaser shall be deemed to have assumed any Cure Costs owing in respect of Assigned Contracts;
- (b) pursuant to and in accordance with the terms of the Amended Plan, the Purchaser shall be deemed to have assumed, and JMB and 216 shall remain liable for, the Fiera Assumed Debt and the Fiera Loan and Security Documents, subject to the provisions of the Fiera Exit Loan Agreement;
- (c) pursuant to and in accordance with the terms of the Amended RVO, the Purchaser shall be deemed to have assumed, and JMB and 216 shall remain liable for, the ATB Assumed Debt and the ATB Loan and Security Documents, subject to the provisions of the ATB Agreement;
- (d) 216 shall remain liable for the Reclamation Obligations relating to the Aggregate Pits located on the 216 Disposition Lands;
- (e) JMB shall remain liable for the Reclamation Obligations relating to the Aggregate Pits located on the JMB Disposition Lands, the JMB Active Royalty Lands and the JMB Inactive Royalty Lands;

- (f) the Purchaser shall have assumed any Liabilities with respect to Transferred Employees accruing or arising subsequent to the Adjustment Time; and
- (g) the Purchaser shall have assumed any Liabilities arising with respect to the Transaction Assets accruing or arising subsequent to the Adjustment Time.

2.6 **Excluded Liabilities**

Notwithstanding any provision in this Agreement to the contrary, the Purchaser shall not assume, be obligated to assume or be obligated to pay, perform or otherwise discharge, and the Vendors shall not remain liable for or obligated to pay, perform or otherwise discharge, any Liabilities other than the Assumed Liabilities (all such Liabilities other than the Assumed Liabilities being the “**Excluded Liabilities**”).

2.7 **Binding Agreement**

Upon the satisfaction of the condition set out in Section 5.1(a), this Agreement shall be and constitute a binding agreement upon and subject to the terms and conditions set forth in this Agreement notwithstanding the inclusion herein of (but subject to) any condition or conditions the satisfaction of which is to be determined in the sole and absolute discretion of either Party or otherwise on a subjective basis.

2.8 **Acknowledgement of the Purchaser as Condition of Transaction Assets**

Notwithstanding the foregoing or anything contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) in entering into this Agreement, the Purchaser has had an opportunity to conduct any and all due diligence regarding the Transaction Assets, the Assumed Liabilities Business and the Vendors, it has relied and will continue to rely solely upon its own independent review, investigations and inspection of the Transaction Assets, any Contracts included therein and any Assumed Liabilities and the Transaction Assets, including, without limitation, the physical and environmental condition of the Transaction Assets, and upon its review of the Data Room Information;
- (b) the Transaction Assets are being acquired and retained on an “as is, where is” basis as of the Closing Date;
- (c) in entering into this Agreement, the Purchaser has not relied upon any written or oral statements, representations, warranties or guarantees whatsoever made by the Sale Advisor, the Vendors, or the Monitor, whether express, implied, statutory, or otherwise, regarding the Transaction Assets, the Assumed Liabilities or the Vendors, or the accuracy or completeness of any information provided in connection therewith;
- (d) except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendors, the Monitor, the Sales Advisor and their Representatives or in respect of the Transaction Assets, the Assumed Liabilities, the Acquisition and Reorganization Transactions or any representations or statements made, direct or

indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection therewith (whether made or furnished orally or by electronic, faxed, written, or any other means);

- (e) the Sale Advisor and the Monitor (and their respective Representatives) shall have no obligations or responsibility to the Purchaser with respect to any matter relating to the SISP, this Agreement, the Transaction Assets or the condition thereof, the Assumed Liabilities, the Acquisition and Reorganization Transactions, the Acquisition and Reorganization Transaction Orders, or any other matter in connection with or pursuant to any of the foregoing or in any manner, whatsoever, related thereto; and
- (f) this Section 2.8 shall survive and not merge on Closing.

ARTICLE 3 PURCHASE PRICE, PAYMENT AND RETAINED VALUE

3.1 Purchase Price and Retained Value

The purchase price to be paid by the Purchaser to the Vendors for the Acquired Assets, subject to Section 3.2 and adjustments pursuant to Section 3.6, shall be the sum of [REDACTED] plus the Cure Costs (the "**Purchase Price**"), together with any taxes payable under Section 3.5.

3.2 Allocation of Purchase Price and Retained Value

The Parties agree the Purchase Price shall be allocated amongst the Acquired Assets and between the Vendors, and the value allocated to the 216 Retained Assets and JMB Retained Assets (collectively, the "**Retained Value**") shall be allocated amongst the 216 Retained Assets and JMB Retained Assets, in the manner set forth in **Schedule A**, subject to adjustments pursuant to Section 3.6 and, on or before Closing, any sales or agreements to sell any Fiera Equipment and any adjustments to the estimated tonnes of Tranche B Inventory (the "**Purchase Price and Value Allocation**"), which shall not affect the Purchase Price, only the allocation thereof. Where the Purchase Price and Retained Value Allocation set out in **Schedule A** changes as of Closing, or as a result of adjustments pursuant to Section 3.6, the Purchaser and the Vendors (the Vendors with the Monitor's consent), acting reasonably, shall sign a revised **Schedule A** setting out the changed Purchase Price and Retained Value Allocation, which revised **Schedule A** shall be supersede the earlier version of **Schedule A** and be incorporated in and form part of this Agreement.

3.3 Deposit

The Vendors acknowledge that CARC advanced to JMB as a protective disbursement immediately prior to the commencement of the CCAA Proceedings the sum of [REDACTED] (the "**CARC Advance**") and that pursuant to the Initial Order, JMB is authorized to repay that sum to CARC. The CARC Advance shall be treated as a deposit under this Agreement (the "**Deposit**"). The Deposit shall be subject to the following terms:

- (a) if Closing occurs, the Deposit paid shall be applied to payment of the Purchase Price;
- (b) if Closing does not occur due to a breach of this Agreement by the Purchaser, the

Deposit shall be forfeited to the Vendors in full satisfaction of any damages suffered by the Vendors as a consequence of the Purchaser's breach; and

- (c) if Closing does not occur for any reason or circumstance other than that described in Subsection 3.3(b), the Vendors shall pay the amount of the Deposit to the Purchaser within ten (10) Business Days.

3.4 **Payment of Purchase Price**

The Purchase Price shall be satisfied on Closing by the Purchaser as follows:

- (a) by the crediting of the Deposit to the Purchase Price;
- (b) by the payment of any Cure Costs under Assigned Contracts;
- (c) by the assumption of the ATB Assumed Debt and the Fiera Assumed Debt pursuant to the Amended Plan, which as of the date of this Agreement is estimated to be in the amounts set out on **Schedule A**;
- (d) by the payment of cash in the amount of [REDACTED] on account of Tranche A Inventory;
- (e) by 216 remaining liable for the Reclamation Obligations in respect of the 216 Disposition Lands;
- (f) by JMB remaining liable for the Reclamation Obligations relating to the JMB Disposition Lands, the JMB Active Royalty Lands and the JMB Inactive Royalty Lands; and
- (g) subject to any adjustments under Section 3.6, by the payment of cash in the amount of [REDACTED], plus any applicable taxes or other amounts payable by the Purchaser under Section 3.5.

The cash amounts payable by the Purchaser to the Vendors shall be paid to the Monitor by wire transfer in accordance with wire transfer instructions provided by the Monitor to the Purchaser one (1) Business Day prior to Closing.

3.5 **Taxes and Fees**

- (a) The Purchase Price does not include GST. The Purchaser shall be liable for the payment and remittance of any GST payable in respect of the purchase of the Acquired Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendors in respect thereof.
- (b) To the extent applicable, at the request of the Purchaser, JMB and the Purchaser will complete and sign on or before the Closing, a joint election under section 167(1) of the ETA to permit the purchase and sale of the Acquired Assets by the Purchaser from JMB without incurring GST. The Purchaser will duly file the election with the appropriate Governmental Authority within the time permitted under the ETA.

- (c) Notwithstanding Section 3.5(a), and in accordance with subsections 221(2) and 228(4) of the ETA, JMB and 216 shall not collect GST from the Purchaser with respect to the sale of real property as defined in the ETA and the Purchaser shall self-assess, file GST returns and remit such GST to the appropriate taxing authority when and to the extent required under the ETA.
- (d) JMB, 216 and Purchaser acknowledge and agree that the transfer of any rights forming part of the Acquired Assets to be purchased by the Purchaser and which are described in section 162(2) of the ETA is deemed not to be a supply under section 162 of the ETA, and therefore not subject to GST at Closing.
- (e) JMB, 216 and ResidualCo will complete and sign, on or before the Closing, a joint election under section 156(4) of the ETA to permit the transfer, conveyance, assignment and delivery of the Excluded Assets to ResidualCo pursuant to the Amended RVO without incurring GST. JMB will duly file the election with the appropriate Governmental Authority within the time permitted under the ETA.
- (f) The Purchaser shall also be liable for and shall pay any and all, federal or provincial sales taxes and all other taxes, duties, or other similar charges properly payable upon and in connection with the conveyance and transfer of the Acquired Assets by the Vendors to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith, this Agreement, the Acquired Assets and the Sale Transaction.
- (g) The Parties shall work together and cooperate reasonably to minimize any taxes that may be imposed on a Vendor and the Purchaser as a result of the Sale Transaction, including by cooperating and filing any other elections, documents and other records in accordance with Applicable Law to minimize taxes imposed.

3.6 **Adjustments**

- (a) Adjustments (herein referred to as the “**Adjustments**”) shall include all revenues, costs and expenses relating to the Transaction Assets and shall be apportioned as of the Adjustment Time on an accrual basis, which Adjustments shall include all compensation accruing to and in favour of Transferred Employees, all amounts accruing under Aggregate Pit Agreements or on account of GST, workers' compensation or Source Deductions between the Filing Date and the Adjustment Time, and all other matters explicitly referred to in this Agreement which are stated to be subject to adjustment but exclude other matters in this Agreement which are stated to be not subject to adjustment (each matter subject to adjustment being an “**Adjustment Item**”).
- (b) Adjustments shall be made as of the Adjustment Time on an accrual basis. The Purchaser shall be responsible for all Adjustment Items accruing after the Adjustment Time and the Vendors shall be responsible for all Adjustment Items accruing prior to the Adjustment Time. ResidualCo shall execute an undertaking agreeing to pay all Adjustment Items on a timely basis and comply with this Section 3.6 subsequent to Closing and provide evidence thereof to the Purchaser.
- (c) Adjustments shall be made pursuant to a statement of adjustments to be prepared by the Vendors and approved by the Purchaser, each acting reasonably. The

Vendors shall deliver to the Purchaser a draft statement of adjustments not less than two (2) Business Days prior to Closing which shall include details of the calculations contained therein. A final statement of adjustments shall be delivered to the Purchaser on Closing. If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by ResidualCo, acting reasonably, as of the Adjustment Time on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. All amounts which have been estimated as at the Adjustment Time because they have not been finally determined (the "**Post-Closing Adjustments**") shall be finally adjusted on a post-closing basis once the Post-Closing Adjustments have been determined and finalized. In each case when a Post-Closing Adjustment is determined, ResidualCo (after consulting with the Purchaser) shall within thirty (30) days of determination, provide a complete statement thereof, together with particulars relating thereto in reasonable detail, to the other and within thirty days thereafter the Parties hereto shall make a final adjustment as of the Adjustment Time for the Post-Closing Adjustment in question. In the absence of agreement by the Parties hereto, the final amount of any Post-Closing Adjustment shall be determined by the Independent Accountant with the Independent Accountant's costs being paid by the Party whose position differs the most from the Independent Accountant's determination. The Vendors and the Purchaser agree to execute and deliver on the Closing Date an acknowledgement to readjust and pay the amount of any Post-Closing Adjustments as may be owing pursuant to this Agreement, which acknowledgement, which obligations of the Vendors shall be assumed by ResidualCo pursuant to the undertaking described in Section 3.6(b). All adjustments and Post-Closing Adjustments shall, in any event, be completed on or before the date which is three (3) months from the Closing Date (the "**Final Adjustment Date**") and no claim for any readjustment may be made by either Party after the Final Adjustment Date.

- (d) This Section 3.6 shall survive and not merge on Closing.

ARTICLE 4 PRE-CLOSING MATTERS

4.1 Operations Before Closing

- (a) Subject to any terms imposed by the Court in the CCAA Proceedings and Section 4.4, from the date hereof until Closing the Vendors shall operate and maintain the Transaction Assets in accordance with their business and management practices as at the date hereof.
- (b) The Vendors shall not sell, transfer, assign, convey, disclaim, renounce or otherwise dispose of any of the Transaction Assets other than pursuant to the Sale Transaction, provided that until Closing the Vendors shall be permitted to Aggregate in the ordinary course of business or sell, or enter into agreements to sell, the Fiera Equipment in a manner consented to by Fiera.

4.2 **Employment Matters**

- (a) Prior to, but contingent on the occurrence of Closing, the Purchaser shall extend an offer of employment to those Employees of JMB to whom the Purchaser has determined to offer employment, with such employment to take effect under the terms stated herein as of the Closing Date. Such offers shall be for employment initially on terms and conditions substantially similar in the aggregate with respect to their annual compensation and benefits as was in effect immediately prior to the Closing.
- (b) Nothing herein shall restrict the right of the Purchaser to terminate the employment of any Transferred Employee after the Closing at any time for any or for no reason, in accordance with Applicable Law.
- (c) The Purchaser and the Vendors hereby agree to follow the standard procedure for employment tax and other withholding Liabilities as provided under Applicable Law.

4.3 **Assigned Contracts**

In the period between the execution of this Agreement and Closing (the "**Interim Period**"), the Purchaser shall use reasonable commercial efforts to obtain any and all consents and approvals required in respect of the Acquisition and Reorganization Transactions including any Consents required of applicable Counterparties for the transfer or assignment of Assigned Contracts, and the Vendors shall provide such assistance to the Purchaser as is reasonably required by the Purchaser in respect thereof.

- (a) If a Counterparty is unwilling to provide a Consent to the assignment of a Restricted Agreement or is unwilling to provide such Consent on terms acceptable to the Purchaser, acting reasonably, and such Consent is required in order to assign such Restricted Agreement, at the request of the Purchaser the Vendors shall in the application to the Court for the Amended SAVO request that the Court order the assignment of the rights and benefits of the applicable Vendor under such Restricted Agreement under and in accordance with section 11.3 of the CCAA, which assignment shall be conditional on the Purchaser paying the Cure Costs associated with such Restricted Agreement.
- (b) Notwithstanding anything contained in this Agreement, other than the obligation of the Purchaser to pay Cure Costs, the Purchaser will not assume and will have no obligation to discharge any liability or obligation under any Restricted Agreement unless a Counterparty Consent has been obtained or the Amended SAVO has assigned such Restricted Agreement to the Purchaser pursuant to section 11.3 of the CCAA.

4.4 **Interim Project Management Agreement**

Promptly upon the execution of this Agreement, at the election of the Purchaser, JMB and the Purchaser shall execute and deliver the Interim Project Management Agreement.

ARTICLE 5 CLOSING CONDITIONS

5.1 Conditions for the Mutual Benefit of the Parties

The obligation of the Parties to complete the Acquisition and Reorganization Transactions is subject to the satisfaction or waiver on or before Closing of the following conditions precedent:

- (a) the Vendors and the Purchaser shall have duly executed and delivered this Agreement;
- (b) the Court shall have issued the Acquisition and Reorganization Transaction Orders and there shall not have been any appeal of, or application to set aside, vary or amend the Acquisition and Reorganization Transaction Orders which has not been abandoned or dismissed;
- (c) there shall not be in effect any preliminary or final order, decision or decree by a Governmental Authority, no application, action or proceeding shall have been commenced with any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority in connection with the Acquisition and Reorganization Transactions, which restrains, impedes or prohibits the Acquisition and Reorganization Transactions or any material part thereof or requires or purports to require a material variation thereof; and
- (d) ATB, Fiera, the Vendors and the Purchaser shall have executed and delivered an agreement (the "**Cost Allocation Agreement**") setting out the allocation of costs in the CCAA Proceedings, which agreement shall be in form and substance satisfactory to them.

Each of the foregoing conditions has been inserted for the benefit of the Vendors and Purchaser and may only be waived with the written agreement of the Vendors and the Purchaser. The Parties shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or are not waived by the Parties, at or before the Closing Date, any Party may terminate this Agreement by written notice to the other Parties.

5.2 Conditions for the Benefit of the Vendors

The obligation of the Vendors to complete the Acquisition and Reorganization Transactions is subject to the satisfaction or waiver on or before Closing of the following conditions precedent:

- (a) payment by the Purchaser to the Vendors of that portion of the Purchase Price specified in Sections 3.4(d) and 3.4(g) in its entirety along with the unconditional release of the Deposit to the Vendors;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;

- (c) the representations and warranties of the Purchaser set out in Section 7.3 shall be true and accurate in all material respects; and
- (d) there will have been obtained from all appropriate Governmental Authorities and Counterparties such material approvals or consents and such Permits as are required to permit the completion of the Acquisition and Reorganization Transactions.

Each of the foregoing conditions has been inserted for the benefit of the Vendors and may, without prejudice to any of the rights of the Vendors hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time. The Vendors shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendors, at or before the Closing Date, the Vendors may terminate this Agreement by written notice to the Purchaser.

5.3 **Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the Acquisition and Reorganization Transactions is subject to the satisfaction or waiver on or before Closing of the following conditions precedent:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendors shall have been complied with or performed in all material respects;
- (b) the representations and warranties of the Vendors set out in Section 7.1 shall be true and accurate in all material respects;
- (c) by no later than one (1) Business Day prior to Closing, JMB shall have terminated all Employees other than the Transferred Employees;
- (d) the Rejected Contracts shall have been disclaimed pursuant to section 32 of the CCAA prior to the Closing Date, or upon Closing shall have vested in ResidualCo;
- (e) the Purchaser and Fiera shall have entered into the Fiera Exit Loan Agreement on terms satisfactory to the Purchaser and Fiera;
- (f) the Purchaser and ATB shall have entered into the ATB Agreement on terms satisfactory to the Purchaser and ATB;
- (g) the Purchaser, ATB, Fiera and certain other Persons shall have entered into the Cooperation Agreement on terms satisfactory to such Persons;
- (h) each of ATB and Fiera shall have made or provided for, in a form that is satisfactory to the Purchaser, their respective Reclamation Contributions in accordance with the Cost Allocation Agreement; and
- (i) there will have been obtained from all appropriate Governmental Authorities and Counterparties such material approvals or consents and such Permits as are required to complete the Acquisition and Reorganization Transactions.

Each of the foregoing conditions has been inserted for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties, or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendors in writing, in whole or in part, at any time. The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendors.

ARTICLE 6 CLOSING AND POST CLOSING

6.1 Closing

Closing shall take place at the offices of McCarthy Tétrault LLP, Suite 4000, 421 7th Avenue SW, Calgary, Alberta, on the Closing Date.

6.2 Vendors' Closing Deliveries

On or before Closing, but subject to the provisions of this Agreement, the Vendors shall prepare, execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following:

- (a) copies of the Acquisition and Reorganization Transaction Orders;
- (b) a copy of the Amended Plan as filed with the applicable Governmental Authority;
- (c) the GST election forms prescribed under subsection 167(1) of the ETA, if applicable;
- (d) the GST election form prescribed under subsection 156(4) of the ETA;
- (e) the ATB Agreement;
- (f) the Fiera Exit Loan Agreement;
- (g) the Specific Conveyances;
- (h) the Cost Allocation Agreement; and
- (i) any and all such other documentation, execution pages, instruments, records, applications and filings required pursuant to this Agreement, the Acquisition and Reorganization Transaction Orders or the ATB Agreement or that the Vendors and Purchaser determine, acting reasonably, are necessary or desirable in order to complete the Acquisition and Reorganization Transactions (the "**Miscellaneous Closing Documents**").

6.3 Purchaser's Closing Deliveries

On or before Closing, subject to the provisions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the Vendors the following:

- (a) the balance of the Purchase Price, as set forth in the final statement of Adjustments, as contemplated under Section 3.6(b) herein, plus all taxes, fees, and GST;
- (b) the GST election form prescribed under subsection 167(1) of the ETA, if applicable;
- (c) the ATB Agreement;
- (d) the Fiera Exit Loan Agreement;
- (e) the Cooperation Agreement;
- (f) the Cost Allocation Agreement;
- (g) the Specific Conveyances; and
- (h) the Miscellaneous Closing Documents.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Vendors' Representations and Warranties

Each Vendor jointly and severally hereby represents and warrants to and in favour of the Purchaser that:

- (a) such Vendor is a corporation duly organized, validly subsisting and in good standing under the laws of the jurisdiction of its incorporation, continuance or amalgamation (as the case may be) and is duly registered and authorized to carry on business in Alberta;
- (b) provided the Acquisition and Reorganization Transaction Orders are obtained, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Acquisition and Reorganization Transactions and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) provided the Acquisition and Reorganization Transaction Orders are obtained and constitute Final Orders, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendors, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid, and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences; and

- (d) such Vendor is not a "non-resident" for the purposes of Section 116 of the *Income Tax Act*, RSC 1985, c 1 (5th Supp) and such Vendor shall receive its share of the Purchase Price on its own account and not as agent, trustee or nominee for any other person who is a non-resident of Canada.

7.2 **No Additional Representations and Warranties**

Notwithstanding anything to the contrary in this Agreement, the Vendors make no representations or warranties except as expressly set forth in Section 7.1 and, in particular, and without limiting the generality of the foregoing, the Vendors disclaim and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendors in connection with the Transaction Assets, the Assumed Liabilities or in relation to the Acquisition and Reorganization Transactions. For greater certainty, the Vendors do not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

- (a) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendors or any of their Representatives in connection with the Transaction Assets, the Assumed Liabilities or the Acquisition and Reorganization Transactions;
- (b) the quality, condition, fitness, suitability, serviceability, or merchantability of any of the Transaction Assets; or,
- (b) the right, title, estate or interest of a Vendor in and to the Transaction Assets.

7.3 **Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to and in favour of the Vendors that, as of the date of this Agreement and as of the Closing Date:

- (a) it is a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Transaction Assets are located or as otherwise required in connection with the Acquisition and Reorganization Transactions;
- (b) it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Acquisition and Reorganization Transactions and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) provided the Acquisition and Reorganization Transaction Orders are obtained and constitute Final Orders, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendors and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid, and binding obligations of it enforceable against it in accordance with their

respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;

- (d) to its knowledge after due inquiry, and provided the Acquisition and Reorganization Transaction Orders are obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Acquisition and Reorganization Transaction Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) provided the Acquisition and Reorganization Transaction Orders are obtained, the consummation of the Acquisition and Reorganization Transactions will not constitute or result in a material violation, breach, or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order, or ruling applicable to it;
- (f) it has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Acquisition and Reorganization Transactions;
- (g) it has sufficient funds available to it to enable it to pay to the Vendors in full that portion of the Purchase Price specified in Sections 3.4(d) and 3.4(g) as herein provided and otherwise to fully perform its obligations under this Agreement;
- (h) the Purchaser is purchasing the legal and beneficial interest in the Acquired Assets and is a registrant for the purposes of Part IX of the ETA and its registration number is 723397733 RT0001; and
- (i) the Purchaser is and will be on Closing a "Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1st Supp).

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendors and the Purchaser;
- (b) by either the Vendors or the Purchaser pursuant to Sections 5.1, 5.2 or 5.3, as applicable; or
- (c) by the Vendors or the Purchaser if Closing has not occurred on or before March 12, 2021, unless such date is extended by the Parties in writing.

8.2 Effect of Termination

If this Agreement is terminated by the Vendors or the Purchaser as permitted under Section 8.1, Articles 9 and 10 and Section 11.10 shall remain in full force and effect following any such permitted termination.

ARTICLE 9
CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence subject to Section 9.2, all information regarding the terms of this Agreement and the Purchase Price and any information exchanged or received in connection with the performance of due diligence by the Purchaser prior to or after the date hereof (including due diligence conducted under or in connection with the Letter of Intent) or negotiation or drafting of this Agreement, provided that the Vendors and the Purchaser shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Acquisition and Reorganization Transaction Orders, and the Purchaser shall be entitled to disclose all information to any Affiliate or that is required by its lenders or capital providers and to the extent permitted by the Confidentiality Agreement. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

In addition to the foregoing, the Purchaser and Vendors shall continue to be bound by the Confidentiality Agreement in accordance with the terms thereof.

9.2 Public Announcements

- (a) If a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the transactions contemplated herein, the disclosing Party shall provide the other Party with an advance copy of any such press release or other public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and advise of any comments they may have with respect thereto.
- (b) Notwithstanding Section 9.1 or 9.2(a), a Party may release or provide information about the Acquisition and Reorganization Transactions insofar as is required by Applicable Law (including as may be required to obtain the Acquisition and Reorganization Transaction Orders) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Party with the details of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure. A Party may provide information about the Acquisition and Reorganization Transactions to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Acquisition and Reorganization Transactions required from Governmental Authorities (including the Acquisition and Reorganization Transaction Orders) or Third Parties.

**ARTICLE 10
GOVERNING LAW AND DISPUTE RESOLUTION**

10.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.2 Resolution of Disputes

- (a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.

- (b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

**ARTICLE 11
GENERAL**

11.1 Obligations as Covenants

Each agreement and obligation of any of the Parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

11.2 Currency

All reference to currency in this Agreement shall be deemed to be reference to Canadian dollars.

11.3 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any person, Party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

11.4 **Amendment of Agreement**

No supplement, modification, waiver or termination of this Agreement (other than a termination permitted to be unilaterally made by the Vendors or Purchaser pursuant to the terms of this Agreement) shall be binding unless executed in writing by the Parties hereto in the same manner as the execution of this Agreement.

11.5 **Time of the Essence**

Time shall be of the essence of this Agreement.

11.6 **Personal Information**

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records, or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Acquisition and Reorganization Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 11.6 shall survive the Closing Date indefinitely.

11.7 **Assignment**

- (a) Neither Party may assign their interest in or under this Agreement or to the Transaction Assets without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.
- (b) No assignment, transfer, or other disposition of this Agreement or the Acquisition and Reorganization Transaction Assets or any portion of the Transaction Assets shall relieve the Purchaser from its obligations to the Vendors herein. The Vendors shall have the option to claim performance or payment of the obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendors to receive duplicate performance or payment of the same obligation.

11.8 **Further Assurances**

From time to time up to and until the Final Adjustment Date, as and when reasonably requested by a Party, each Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Acquisition and Reorganization Transactions, provided such documents, instruments, or actions are consistent with the provisions of this Agreement. All such further documents, instruments, or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

11.9 **Entire Agreement**

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties hereto constitute the entire agreement between the Parties hereto pertaining to the agreement of purchase and sale provided for herein

and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, including the Letter of Intent, and there are no other warranties or representations and no other agreements between the Parties hereto in connection with the agreement of purchase and sale provided for herein except as specifically set forth in this Agreement or the schedules attached hereto.

11.10 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation, and execution of this Agreement and the consummation of the Acquisition and Reorganization Transactions, subject to Section 11.8 of this Agreement.

11.11 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

11.12 Merger

Except as otherwise provided in this Agreement: (a) this Agreement shall merge with the closing of the Acquisition and Reorganization Transactions contemplated herein; and (b) no representations, warranties, covenants or agreements of either the Vendors or the Purchaser shall survive and all such representations, warranties, covenants, or agreements shall merge on Closing, unless otherwise indicated herein. This provision of this Section 11.12 shall survive and not merge on Closing.

11.13 Notice

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, electronic mail, courier or facsimile and addressed:

(a) to the Vendors at:

JMB Crushing Systems Inc. and 2161889 Alberta Ltd.
PO Box 6977
Bonnyville, AB T9N 2H4

Email: blakeelyea@jmbcrush.com
Attention: Blake M. Elyea, CPA, CGA, CIRP, LIT
Chief Restructuring Advisor

with a copy to:

Sequeira Partners
520 5 Ave SW, #400
Calgary, AB T2P 3R7

Facsimile: 1-877-790-6172

Email: asequeira@sequeirapartners.com
Attention: Aroon Sequeira

with a copy to:

FTI Consulting Canada Inc.
520 5 Ave SW, #400
Calgary, AB T2P 3R7

Facsimile: 1 403 232 6116
Email: Deryck.Helkaa@fticonsulting.com and
Tom.Powell@fticonsulting.com
Attention: Deryck Helkaa & Tom Powell

(b) to the Purchaser at:

Mantle Materials Group, Ltd.
1400 16th St, Suite 320
Denver, CO 80209

E-mail: Byron.Levkulich@RLHoldings.com
Attention: Byron Levkulich, CFA, CPA

with a copy to:

Gowling WLG (Canada) LLP
Suite 1600, 421 7th Avenue SW
Calgary AB T2P 4K9

E-mail: tom.cumming@gowlingwlg.com
Attention: Tom Cumming

A Notice is deemed to be given and received (i) if sent by personal delivery, electronic mail or same-day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (Mountain time) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day if the delivery was made prior to 5:00 p.m. (local time in place of receipt) on such Business Day and otherwise on the next Business Day, or (iii) if sent by facsimile or email, on the Business Day of confirmation of transmission by the originating facsimile or email if such confirmation of transmission indicates that such facsimile or email was received prior to 5:00 p.m. (Mountain time) on a Business Day and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

11.14 **Non-Business Days**

Whenever payments are required to be made or an action is required to be taken on a day which is not a Business Day, such payment shall be required to be made or such action shall be required to be taken on and not later than the next succeeding Business Day.

11.15 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the Parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

11.16 Monitor

The Parties covenant and agree that neither the Monitor nor any of its Representatives shall have any personal or corporate liability of any kind whatsoever or howsoever arising to any Party under or in connection with this Agreement, the Amended Plan, the Acquisition and Reorganization Transaction Orders or the Acquisition and Reorganization Transactions or any requirements or matters in connection or otherwise related thereto.

11.17 Electronic and Counterpart Execution

All Parties agree that this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the Parties adopt any signatures received by email or other electronic delivery as original signatures of the Parties, provided, however, that any Party providing its signature in such manner shall promptly forward to the other Party an original of the signed copy of this agreement which was so electronically delivered.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF the Parties have duly executed this Agreement as evidenced by their properly authorized officers as of the day and year first above written.

MANTLE MATERIALS GROUP, LTD.

Per:

DocuSigned by:

Byron J Levkulich

DAYFAEE6A770408...
Name: Byron Levkulich
Title: Director

DocuSigned by:

Aaron Patsch

113E2EC83A6E4C5
Name: Aaron Patsch
Title: Director

JMB CRUSHING SYSTEMS INC.

Per:

Blake M. Elyea

Blake M. Elyea (Mar 3, 2021 18:04 PST)

Name: Blake Elyea

Title: Chief Restructuring Advisor

2161889 ALBERTA LTD.

Per:

Blake M. Elyea

Blake M. Elyea (Mar 3, 2021 18:04 PST)

Name: Blake Elyea

Title: Chief Restructuring Advisor

[REDACTED]

[REDACTED]

[REDACTED]

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**SCHEDULE B
AGGREGATE PIT AGREEMENTS**

1. 216 Dispositions

- (a) Surface Material Lease No. 080085 in favour of 216 dated April 26, 2012 in respect of Aggregate Pit JLG 3 located within NW-12-63-19 W4M and SW-13-63-19 W4M.
- (b) Surface Material Lease No. 100085 in favour of 216 dated June 24, 2016 in respect of Aggregate Pit JLG 4 located within NE-12-63-19 W4M and NW-12-63-19 W4M.
- (c) Surface Material Lease No. 110025 in favour of 216 dated February 11, 2014 in respect of Aggregate Pit JLG 5 located within NE-11-61-18 W4M.
- (d) Surface Material Lease No. 110026 in favour of 216 dated April 11, 2012 in respect of Aggregate Pit JLG 6 located within SE-11-61-18 W4M.
- (e) Surface Material Lease No. 110045 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 7 located within SE-15-61-18 W4M and NE-15-61-18 W4M.
- (f) Surface Material Lease No. 110046 in favour of 216 dated March 18, 2015 in respect of Aggregate Pit JLG 8 located within NE-15-61-18 W4M and NW-15-61-18 W4M.
- (g) Surface Material Lease No. 120006 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 11 located within NW-14-61-18 W4M.
- (h) Surface Material Lease No. 120100 in favour of 216 dated October 5, 2017 in respect of Aggregate Pit JLG 12 located within SE-21-61-18 W4M.
- (i) Surface Material Lease No. 110047 in favour of 216 located within SE-15-61-18 W4M, SW-15-61-18 W4M, and NW-15-61-18 W4M.
- (j) Surface Material Lease No. 120005 in favour of 216 located within SW-14-61-18 W4M and NW-14-61-18 W4M.
- (k) Surface Material Lease No. 060060 in favour of 216 located within SW-13-65-18-W4M.
- (l) Department Licence of Occupation 170011 in favour of 216 located within SE-13-65-18-W4M and SW-13-65-18-W4M.

2. JMB Dispositions

- (a) Surface Material Lease No. 120027 in favour of JMB located within SW-30-63-08-W4M.
- (b) Surface Material Lease No. 930040 in favour of JMB located within SE-23-61-07-W4M.
- (c) Surface Material Lease 980116 in favour of JMB located within SW-21-63-12-W4M.

- (d) Department Miscellaneous Lease 120032 in favour of JMB located within NW-20-74-8-W4M.
- (e) Surface Materials Exploration 150106 in favour of JMB located within SW-26-75-11-W4M, SE-34-75-11-W4M, NW-23-75-11-W4M, NE-27-75-11-W4M, SW-35-75-11-W4M, and NW-26-75-11-W4M.
- (f) Surface Materials Exploration 200009 in favour of JMB located within NE-30-81-6-W4M, NE-31-81-6-W4M, SE-31-81-6-W4M, and SW-31-81-6-W4M.

3. **JMB Active Royalty Agreements**

- (a) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge Canada Inc. ("**Lafarge**") in respect of the Aggregate Pit referred to as Moose River for which Lafarge has a surface material lease identified as SML 100043 located at SW-35-61-7-W4M and having 18.46 acres.
- (b) Royalty Agreement made as of June 28, 2019 between JMB and Lafarge in respect of the Aggregate Pit referred to as Oberg for which Lafarge had registration number 15215-01-01 located on lands described as SE-5-62-7-W4 and having 159.88 acres.
- (c) Shankowski Royalty Agreement.
- (d) Havener Royalty Agreement.
- (e) Andrychuk Royalty Agreement.

4. **JMB Inactive Royalty Agreements**

- (a) Royalty Agreement made as of December 31, 2018 between JMB and 302016 Alberta Limited, care of Rose Short, in respect of the Aggregate Pit located at NE-24-56-7-W4, in respect of which JMB holds JMB Royalty Registration no. 15048-03-02.
- (b) Royalty Agreement made as of January 7, 2020 between Ron and Rita Kucy, Ron and Vonda Hoye, and JMB in respect of an Aggregate Pit located at NW 17, NE 18, SE 19-63-9-W4, in respect of which JMB holds JMB Royalty Registration no. 306490-00-00.
- (c) Royalty Agreement made as of October 27, 2019 between Allan K MacDonald and JMB in respect of an Aggregate Pit located at SE 34-56-7-W4, in respect of which JMB holds JMB Royalty Registration no. 293051-00-00.
- (d) Royalty Agreement made as of September 30, 2018 between Doug Megley and JMB in respect of an Aggregate Pit located at SE-35-58-16-W4M, in respect of which JMB holds JMB Royalty Registration no. 149949-00-00.
- (e) Royalty Agreement made as of April 30, 2018 between Colleen Penner/Estate of Ed Okane and JMB in respect of an Aggregate Pit located at NE 10-57-6-W4, in respect of which JMB holds JMB Royalty Registration no. 263318-00-00.

**SCHEDULE C
ASSIGNED CONTRACTS**

1. Fiera Loan Agreements and Fiera Loan and Security Documents;
2. ATB Loan and Security Documents;
3. Commitment Letter dated January 8, 2018 between Canadian Western Bank and 216, as amended, together with all cash collateral security delivered in connection therewith and the rights of the Vendors in respect of the letters of credit issued by Canadian Western Bank thereunder, including:
 - (a) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 080085;
 - (b) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 100085;
 - (c) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 110025;
 - (d) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 110026;
 - (e) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 110045;
 - (f) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 110046;
 - (g) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 120006;
 - (h) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 120100;
 - (i) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 110047; and
 - (j) the letter of credit in the amount of [REDACTED] issued in connection with the 216 Disposition identified as SML 120005;

(such Commitment Letter, security, letters of credit and other documentation contemplated thereby being collectively referred to as the "**CWB Agreement**");
4. Contracts granting a licence or other right to use the Axon software, the ISNetwork software and the software provided by ComplyWorks Ltd.;
5. non-competition agreement dated March 22, 2019 between 541466 Alberta Ltd., Lisa Ball, Gordon Ball, and JMB.

**SCHEDULE D
FIERA EQUIPMENT**

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2001	Travco		5-Unit Wellsite Camp each unit 12' x 56'	1256110534, 1256110533, 1256110532, 1256110531, 1256110530
2007	Bold Developments		12' x 56' Wellsite	T06-012
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTV30T975073015
2007	Arctic		10' x 30' Tri-Axle Wellsite Trailer	2GRTN30T075070316
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-3
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-8
2007	Britco		12' x 62' 6-Sleeper Wellsite	07066-9
2015	Stratis		2,500 Gallon Water Storage Tank	SOSWS035
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3384
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3578
2014	Komatsu	HM400-3	44 ton Off-Highway Articulated Dump Truck	3420
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8273
2008	Caterpillar	988H	Articulated Wheel Loader	CAT0988HCBXY02382
2006	Volvo	L180E	Articulated Wheel Loader	L180EV8379
1999	Komatsu	WA450-3	Articulated Wheel Loader	53372
2012	Caterpillar	988H	Articulated Wheel Loader	CAT0988HABXY05172
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CJJAY07005
2012	Caterpillar	246C	Skid Steer Loader	CAT0246CVJAY08691
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GC00012444
2013	Volvo	L220G	Articulated Wheel Loader	VCEL220GA00012852
2009	Volvo	L220F	Articulated Wheel Loader	VCEL220FP00006937
2004	Caterpillar	D6N LGP	Crawler Dozer	ALY01814
2005	Daewoo	Solar 470LC-V	Crawler Excavator	1357
1996	Hitachi	EX55UR	Mini Crawler Excavator	1BG-02075
2012	Caterpillar	345D	Crawler Excavator	CAT0345DJEEH01226
2009	Caterpillar	160M	Motor Grader	CAT0160MAB9E00358
2001	Toyota	7FGU30	6,000 lb LP Gas Lift Truck	61607
2001	Caterpillar	535B	Grapple Skidder	AAE00408
1996	Grizzly	250-5	250 kw Diesel Generator	
2014	Wacker	G100	80 kw Generator	20278208
	Ingersoll-Rand		20 kw Portable Light Tower	
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	G0F-24939
2014	Wacker	LTW20	20 kw Portable Light Tower	20239723
2014	Wacker	LTW20	20 kw Portable Light Tower	20239727
2014	Wacker	LTW20	20 kw Portable Light Tower	20241937
	Frontier	PT4000K	20 kw Portable Light Tower	PTS2002-33
2006	Ingersoll-Rand		6 kw Portable Light Tower	372495UFQC13
2004	Precision		95 ton Truck Scale	
2015	Precision		100 ton Truck Scale	15-589
1980	Midland		48' Tandem Axle Van Trailer	2ATD10186AM110007
1979	Fruehauf	FP9F1271	28' Single Axle Van Trailer	DXV180718
1999	Manac	Super B	Tri-Axle Tool Van Trailer	2M5931033X1062925

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
1997	Great Dane	7911TJW-53	53' Tandem Axle Control Van Trailer	1GRAA0625VB117102
2004	Detroit Diesel	Series 60	Diesel Generator	6R753345
1998	Stamford		60 kw Portable Diesel Generator	E980749726
2004	Elrus	25YD3 SB	25-Cubic Yard Portable Surge Bin	M3461ER04SB
2008	Kolberg-Pioneer	L3-36125	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	407136
2006	Powerscreen		36" x 80' Portable Folding Stacking Belt Conveyor	6002232
2008	Kolberg-Pioneer		36" x 70' Portable Belt Conveyor	408560
2004	Elrus		36" x 60' Portable Belt Conveyor	M3445ER04PC
2004	Elrus	36X60FT-PC	36" x 60' Portable Belt Conveyor	M3446ER04PC
1999	Elrus	2434	36" x 125' Portable Telescopic Radial Stacking Belt Conveyor	ER99PC1524
	Thor	T150-8	150' Portable Telescopic Radial Stacking Belt Conveyor	1846
	Tyalta		42" x 60' Portable Belt Conveyor	144260350
2010	CEC		30" x 60' Portable Belt Conveyor	30600606-J
			36" x 40' Portable Belt Conveyor	36400706-J
2004	Elrus	6X20-3D SC	6' x 20' Portable Screen Plant	M3499ER04SP
2008	Clemro Industries, Ltd.		Portable Jaw Crusher	1498-4127
2011	Clemro Industries, Ltd.		Portable Low Profile Belt Feeder	1679-4599
			15,000 liter Fuel Tank	
	Westeel		15,000 Gallon Fuel Tank	641500334
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671301089
	Westeel		1,000 Gallon Double-Walled Steel Fuel Tank	671502620
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
		TH5G00	2,200 liter Double-Walled Steel Fuel Tank	
2008	Dodge	Ram 2500HD	Mega Cab Flatbed Truck	3D7KS29D78G155808
2008	Ford	F350 Super Duty XL	Crew Cab Flatbed Truck	1FTWW31568ED84921
2008	Ford	F350 Super Duty XLT	Crew Cab Flatbed Truck	1FTWW31598EE44965
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B69CEB71377
2012	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B61CEB76184
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF2CFA97764
2012	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF0CFA97763
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEA94375
2012	Ford	F350 Super Duty	Crew Cab Pickup Truck	1FT8W3B60CEB56034
2008	Peterbilt	367	Tri-Drive Conventional Tractor	1NPTX4EX48D737575
2009	Peterbilt	367	Tandem Axle Dump Truck	1NP TL40X19D778993
2009	Kenworth	T800	Tri-Drive Dump Truck	1XKDP40X49R941482
2009	Peterbilt	367	Tri-Drive Conventional Tractor	1XPTP40X79D789572
2013	Peterbilt	337	Single Axle Mechanics Truck	2NP2HN8X1DM205263
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X6FD284564

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X8FD284565
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0XXFD284566
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284567
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284568
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284569
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X1FD284570
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X3FD284571
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X5FD284572
2015	Peterbilt	567	Tandem Axle Conventional Tractor	1XPCDP0X7FD284573
2013	Peterbilt	367	Tri-Drive Winch Tractor	1XPTP4TX9DD184358
1997	Freightliner	FL60	Single Axle Service Truck	1FV6GJBA0VHH80602
2014	Peterbilt	348	Tandem Axle Water Truck	2NP3LJ0X2EM242007
1996	Arrow		Tandem Axle Jeep	259CSCB2XT1073252
1994	Arnes		Tandem Axle 16-Wheel Jeep	AR804203
2000	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9D54C37YL017498
2000	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B31YL017499
2006	Arnes		Quad-Axle End Dump Pup Trailer	2A92142466A003242
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C476L017782
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B326L017783
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C406L017784
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B366L017785
2006	Decap	Super B	Tri-Axle Lead Belly Dump Trailer	2D9DS4C446L017786
2006	Decap	Super B	Tandem Axle Pup Belly Dump Trailer	2D9DS2B3X6L017787
2007	Arnes		Tri-Axle End Dump Trailer	2A90737307A003528
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142498A003884
2008	Arnes		Quad-Axle End Dump Pup Trailer	2A92142408A003885
2008	Load Max		20' Tandem Axle Equipment Trailer	5L8PH202681013062
2009	Arnes		Tri-Axle End Dump Trailer	2A90737359A003298
2009	Arnes		Tri-Axle End Dump Trailer	2A90737379A003299
2009	Arnes		Tri-Axle End Dump Trailer	2A907373X9A003300
2009	Arnes		Tri-Axle End Dump Trailer	2A90737319A003301
2009	Arnes		Tri-Axle End Dump Trailer	2A90737339A003302
2009	Arnes		Quad-Axle End Dump Pup Trailer	2A92142499A003238
1999	Argo		8' x 21' Tandem Axle Cargo Trailer	2AABDE821X1000122
2008	Doepker		Tri-Axle End Dump Trailer	2DEGEDZ3381023677
2006	Doepker		Tri-Axle Scissor Neck Lowboy Trailer	2DESNSZ3161018845
2015	Arnes		Tri-Axle End Dump Trailer	2A9073731FA003598
2015	Arnes		Tri-Axle End Dump Trailer	2A9073730FA003575
1997	Roadmaster		Tri-Axle Trombone Step Deck Trailer	2T9DF513XV1011230
2013	Arnes		40 ton Tri-Axle Scissor Neck Lowboy Trailer	2A9125335DA003461
2013	Lode King	SDS53-3	40 ton Tri-Axle Scissor Neck Lowboy Trailer	2LDSD5331DS055478
2015	Arnes		50 ton Tri-Axle Lowboy Trailer	2A9105630FA003016
1980	Willcock		Single Axle Float Trailer	2ATA06238AM107038
1999	Manac		Tandem Axle Lube & Tool Van Trailer	2M5920884X1062932
2007	Dodge	Ram 3500HD	Quad Cab Pickup Truck	3D7MX48A27G781634

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31518EE16691
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31598ED98117
2008	Ford	F350 Super Duty XLT	Crew Cab Pickup Truck	1FTWW31538EE44962
2012	Dodge	Ram 2500 SLT	Crew Cab Pickup Truck	3C6TD5JT2CG113379
			Engine identified as TT009	
			Engine identified as TT002	
			Equipment identified as PT003	
			Equipment identified as TV100 and TV101	
			Dump box identified as TR006	
			3 Terex portable light towers	
	Maxi		2 portable light towers	
	Isuzu		20 kw generator	
	Volvo		360 kw generator	
2007	Peterbilt	379	379 Tandem Axle Winch Tractor	1NP5L40X77D742313
2007	Clemro Industries, Ltd.	BF100	Portable Belt Feeder	1463-4120
2009	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	E0F-09186
2006	Terex Amida	AL5200D-4MH	20 kw Portable Light Tower	4ZJSL151161H23687
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	0425MXL06
2006	Allmand	Maxi Lite 15330	15 kw Portable Light Tower	058ML03
2006	Isuzu	20 kw	Diesel Generator	198196/X06D170482
1998	Stamford	360 kw	Diesel Generator	106V3257

**SCHEDULE E
EXCLUDED DISPOSED ASSETS**

1. Fiera Eastside Equipment

Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
2010	John Deere	844K	Articulated Wheel Loader	1DW844KX627428
2013	Volvo	L180G	Articulated Wheel Loader	VCEL180GC00022042
2006	Volvo	EC330B LC	Crawler Excavator	EC330V10699
2012	Caterpillar	345D	Crawler Excavator	CAT0345DJRAJ00435
	Precision	10'x80' Survivor Truck Scale	100 ton Scale Indicator	Scale s/n 3842 Indicator s/n 1479500073
2005	Fintec	542 5x12	Tracked Feeder Screen Plant	2005542575
	Bobcat	225	Engine Driven Welder	

2. Fiera Disposed Equipment

Asset
CY003 - 70' Portable belt conveyor - 2010 Kolberg-Pioneer 47-3670S
CY004 - 70' Portable belt conveyor - 2010 Kolberg-Pioneer
CY005 - 70' Portable stacking belt conveyor - 2010 Kolberg-Pioneer
DZ001 - Crawler dozer - 1998 Caterpillar D8R
PV200 - Control van trailer - 2010 Wabash
SS200 - Initial Supplies to build splitter bin - fab from scratch
CC201 - Portable cone crusher - 2001 Svedala H-6000
TF001 - Dozer trap feeder - 1999 Red Deer Industries
2004 Elrus H4800 Portable Cone Crusher M3314ER04CC
2008 Kolberg-Pioneer 33-36150 SuperStacker 36" x 150' Portable Telescopic Radial Stacking Belt Conveyor 409329
2014 Global 6GSTAP 6" Trash Pump 1496808

3. PMSI Property

Priority Secure Creditor	Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
Ford Credit Canada Company	2015	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF3FFC07984
	2015	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF7FFC07986
	2015	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF0FFC07988
	2015	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF9FFC07990
	2015	Ford	F150 XLT	Supercrew Pickup Truck	1FTFW1EF0FFC07991
Ford Credit Canada Leasing, Division of Canadian Road Leasing Company	2016	Ford	F250 Super Duty XLT	Crew Cab Pickup Truck	1FT7W2B66GEB46457
	2018	Ford	F150		1FTEW1EG7JFC34831
	2019	Ford	F150		1FTFW1E53KFA45940
Ford Credit Canada Limited	2016	Ford	F150	Super Crew Pickup Truck	1FTFW1EFXGFC63082
	2012	SmithCo	Super B	Tri-Axle Lead Side Dump Trailer	1S9SS3735CL476517

Priority Secure Creditor	Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
Proven Financial Group and Canadian Western Bank Leasing Inc. – Broker Buying Centre	2012	SmithCo	Super B	Tandem Axle Pup Side Dump Trailer	1S9SS2929CL476518
	2018	Elrus		6" x 20"Deck Screen	M7102ERC18SC
	2012	Elrus	HD2054	Portable Jaw Crusher	M6028ERC12CJS
	2002	Elrus	M2943 2236	Portable Jaw Crusher	M7102ERC18SC
Caterpillar Financial Services Limited	2015	Caterpillar	972M XE	Articulated Wheel Loader	CAT0972MKEDW00340
	2016	Caterpillar	980M	Wheel Loader	CAT0980MCKRS01308
	2012	Caterpillar	D8T	Crawler Dozer	CAT00D8TEMLN01555
	2014	Caterpillar	246D	Skid Steer Loader	CAT0246DLBYF00587
	2016	Caterpillar	246D	Skid Steer Loader	CAT0246DTBYF02460
VFS Canada Inc.	2017	Volvo	L220H	Wheel Loader	VCCEL220HL00002736
TD Equipment Finance, A Division of the Toronto Dominion Bank and Toronto Dominion Bank	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	817775
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847651
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847652
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847655
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847656
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847657
	2015	Superior		36" x 50' Stackable Belt Conveyor with Legs	847658
	2015	Terex Cedarapids	6203	6' x 20' Portable Screening Plant	TRX620HSCOKFK0807
	2014	AMI	Thunderbird II 3054JVE	Electric Portable Jaw Plan with Switchgear	2807-14
	2014	CR		30" x 54" Jaw Crusher	TRXJ3054COKEE0657 2806-14
2014	AMI	C04521	50" x 20" VGF		
Komatsu International (Canada) Inc.	2013	Komatsu	WA470-7	Articulated Wheel Loader	10123
	2019	Komatsu	WA500-8	Wheel Loader	A96809
	2019	Komatsu	PC490LC-11	Crawler Excavator	A42247
		Hensley		7.5 CY Spade Nose Bucket Wheel Loader C/W 5.5 CYD GP Bucket	85680
Bank of Montreal	2015	AMI	380C6203CC-D06319	Portable Cone Crusher	2836-15
	2015	AMI	CRC380X	CC Plant	
			MVP380X	Terex Rollercone Crusher	TRRX380EOKEL0708
			LJ-TSV6203-32	Terex Screen	TRXV6203TDUEG1886
	2018	Midland	TW3000	TR045 - Side Dump Trailer	2MFB2R5D9JR008909
	2016	Midland	TW2500	TR046 - Side Dump Trailer	2MFB2R5C0GR008281
	2018	Midland	TW2500	TR047 - Side Dump Trailer	2MFB2R5C0JR008840
	2019	Midland	TW3000	TR048 - Side Dump Trailer	
	2019	Midland	TW2500	TR049 - Side Dump Trailer -	
	2019	Midland	TW3000	TR050 - Side Dump Trailer -	
	2019	Midland	TW2500	TR051 - Side Dump Trailer -	
	2019	Midland	TW3000	TR052 - Side Dump Trailer -	
	2019	Midland	TW2500	TR053 - Side Dump Trailer -	
	2019	Midland	TW3000	TR054 - Side Dump Trailer -	
	2019	Arnes	Quad Wagon	TR055 - Trailer	
2019	Arnes	Quad Wagon	TR056 - Trailer		

Priority Secure Creditor	Year	Manufacturer	Model	Size / Capacity / Asset Type	Serial # / VIN
	2019	Arnes	Quad Wagon	TR057 - Trailer	
	2019	Arnes	Quad Wagon	TR058 - Trailer	
	2019	Arnes	Quad Wagon	TR059 - Trailer	
	2019	Peterbilt	567 Tandem	TT027 - Truck tractor	
	2019	Peterbilt	567 Tandem	TT028 - Truck tractor	
	2019	Peterbilt	567 Tandem	TT029 - Truck tractor	
	2019	Peterbilt	567 Tandem	TT030 - Truck tractor	
	2019	Peterbilt	567 Tandem	TT031 - Truck tractor	
	2019	Peterbilt	567 Tri-Drive/Box	TT032 - Truck tractor	
	2019	Peterbilt	567 Tri-Drive/Box	TT033 - Truck tractor	
	2019	Peterbilt	567 Tri-Drive/Box	TT034 - Truck tractor	
	2019	Peterbilt	567 Tri-Drive/Box	TT035 - Truck tractor	
	2019	Peterbilt	567 Tri-Drive/Box	TT036 - Truck tractor	
	2015	AMI	LJ-TSV 6203-32	Trailer	TRXV6203TDUEG1886

**SCHEDULE F
PERMITTED ENCUMBRANCES**

1. Subject to the Amended SAVO and Amended RVO, the terms and conditions of the Contracts and Aggregate Pit Agreements included in the Transaction Assets, including any depth limitations or similar limitations that may be set forth therein and any liens or security interests reserved therein for royalty, bonus or rental, or for compliance with the terms thereof;
2. Inchoate Liens attaching to Transaction Assets incurred or created as security in favour of any Person with respect to a Vendor's share of costs and expenses for the extraction, processing or hauling of Aggregates which are not due or delinquent as of are adjusted to the date of Closing;
3. Defects or irregularities of title to Transaction Assets which are waived by the Purchaser;
4. Easements, rights of way, servitudes or other similar rights on, over, or in respect of any of the Transaction Assets, including rights of way for highways and other roads, railways, sewers, drains, pipelines, gas or water mains, power, telephone or cable television towers, poles and wires;
5. Applicable Laws and any rights reserved to or vested in any Government Authority to levy taxes, require periodic payment of rentals, fees or other amounts or otherwise to control or regulate any of the Transaction Assets in any manner, including any rights, obligations, or duties reserved to or vested in any Governmental Authority to control or regulate any Transaction Assets in any manner including to purchase, condemn, expropriate, or recapture any Transaction Assets;
6. Statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from the Crown of any of the Transaction Assets or interests therein;
7. Liens granted in the ordinary course of business to a public utility, municipality or governmental authority respecting operations pertaining to any of the Transaction Assets for which any required payments are not delinquent or are adjusted as of the Closing;
8. Undetermined or inchoate securing taxes not yet due and payable that are adjusted as of the Closing;
9. Security Interests in favour of ATB against the Tranche B Inventory and the JMB Real Property;
10. Security Interests in favour of Fiera against the Transaction Assets; and
11. Security Interests in favour of Canadian Western Bank under and pursuant to the CWB Agreement.

**SCHEDULE G
ACQUIRED TRANCHE B INVENTORY**

Category

- 1 - Sand
- 2 - GBC (Granular Base Course)
- 4 - Traffic
- 5 - Rock/other
- 6 - Granular fill

Location	Product	Category	Volume (tonnes)
Havener Pit Elk Point	10mm Natural Fines	5	171,149
Havener Pit Elk Point	Des 5 Class 10A	1	219,372
Havener Pit Elk Point	Des 4 Class 20	4	1,000
Havener Pit Elk Point	Armour Rock	5	4,014
Hoye/Kucy Pit	Des 4 Class 40	4	1,500
JMB Pit NW 35-56-6 W4M	Armour Rock	5	8,055
JMB Yard NW 20-61-5 W4M	Des 6 Class 80	6	1,000
JMB Yard NW 20-61-5 W4M	40mm rock	5	74
JMB Yard NW 20-61-5 W4M	Des 2 Class 20	2	4,664
JMB Yard NW 20-61-5 W4M	Des 2 Class 40	2	1,889
JMB Yard NW 20-61-5 W4M	Des 4 Class 20	4	1,772
JMB Yard NW 20-61-5 W4M	Des 2 Class 25	2	4,265
MacDonald Pit	Des 4 Class 20	4	8,500
MacDonald Pit	10mm Natural Fines	5	3,000
MacDonald Pit	12.5mm ACP material	5	4,492
MacDonald Pit	Des 5 Class 10A	1	20,000
MacDonald Pit	Armour Rock	5	6,000
MacDonald Pit	Des 2 Class 20	2	1,000
Megley Pit	10mm ACP material	5	1,390
Megley Pit	12.5mm ACP material	5	1,000
Megley Pit	Des 4 Class 20	4	1,000
Megley Pit	Des 5 Class 10A	1	214,904
O'Kane Pit	Des 5 Class 10A	1	85,684
Shankowski Pit Elk Point	14mm Pea Gravel	5	4,415
Shankowski Pit Elk Point	Des 5 Class 10A	1	257,904
SML110045 JLG 7 - Smokey Lake	FA1 Unwashed screened	1	57,968
SML110045 JLG 7 - Smokey Lake	8mm screened winter sand	1	75,000
SML110045 JLG 7 - Smokey Lake	FA1 Washed screened	1	500
SML110045 JLG 7 - Smokey Lake	FA1 Concrete Course	1	500
SML110045 JLG 7 - Smokey Lake	Natural Washed Weeping Tile	2	200
SML110047 JLG 9 - Smokey Lake	Des 5 Class 10A	1	77,324
SML120005 JLG 10 - Smokey Lake	Des 4 Class 40	4	10,756
SML120005 JLG 10 - Smokey Lake	Des 5 Class 10A	1	1,026,524

Location	Product	Category	Volume (tonnes)
SML120005 JLG 10 - Smokey Lake	Des 4 Class 20	4	600
SML120005 JLG 10 - Smokey Lake	Des 2 Class 20	2	500
SML120005 JLG 10 - Smokey Lake	Des 3 Class 12.5C	5	300
Total:			2,278,215

**SCHEDULE H
INTERIM PROJECT MANAGEMENT AGREEMENT**

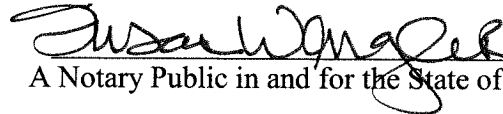
**SCHEDULE I
REJECTED CONTRACTS**

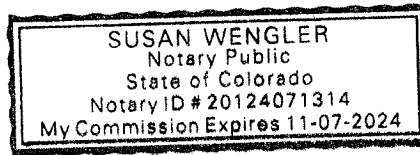
1. Edmonton Lease.
2. Kalinko Operating Agreement.
3. Royalty Agreement dated as of April 25, 2019 between Dale Glen Duniece and Brockenrock Contracting Ltd. in respect of SML 070045 and DLO 090247.
4. Royalty Agreement dated as of April 25, 2019 between Ashley Duniece and Brockenrock Contracting Ltd. in respect of SML 070048, NW 35-76-25-W4, DLO 090246, DLO 091542 and DLO 101031.
5. Letter of intent between Bigstone Cree Nation and JMB dated October 16, 2018.
6. Letter agreement dated February 7, 2020 between Carmacks Enterprises Ltd. and JMB.
7. Any Contract between Peter Anton and a Vendor.
8. Any Contract between a PMSI Holder and a Vendor in respect of PMSI Property.

THIS IS EXHIBIT "M" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado





DISPOSITION

PROVINCE OF ALBERTA

PUBLIC LANDS ACT

R.S.A. 2000, c.P-40, as amended

DISPOSITION TYPE

SURFACE MATERIAL LEASE

DISPOSITION NUMBER

SML 120100

PURPOSE

SURFACE MATERIAL

ACTIVITY

SAND AND GRAVEL

DISPOSITION HOLDER

KATIE BALL

EFFECTIVE DATE

October 5, 2017

PLAN NUMBER

6006

EXPIRY DATE

October 4, 2027

PLAN VERSION DATE

2015/03/18

NOW THEREFORE the director under the Public Lands Act has executed this disposition on the date noted above.

Jane.Fletcher Digitally signed by Jane.Fletcher
Date: 2017.10.05 15:16:19
-06'00'

The director, *Public Lands Act*

ADMINISTRATIVE CONDITIONS

Definitions

- 001** All definitions in the Public Lands Act, RSA 2000, c P-40 and regulations apply except where expressly defined in this Disposition.

Where a definition is not provided for in the Public Lands Act, RSA 2000, c P-40 and regulations or this Disposition, the definition contained in the *Alberta Public Lands Glossary of Terms* shall apply.

In this Disposition,

"Act" means the Public Lands Act, RSA 2000, c P-40, as amended;

"Activity" means the construction, operation, use and reclamation associated with the purpose for which this disposition has been granted.

"Director" means the "director" duly designated under the Act;

"Disposition" means this disposition, granted pursuant to the Act, which includes this document in its entirety, including all recitals, indices and Schedules;

"Effective Date" means the date referred to as such on the first page of this Disposition;

"Expiry Date" means the date referred to as such on the first page of this Disposition;

"Lands" means those lands as identified in the approved Plan which forms part of this Disposition;

"Personal Information" has the meaning as set out in the Freedom of Information and Protection of Privacy Act, RSA 2000, c F-25, as amended;

"Regulatory body" means the Department of Environment and Parks or the Alberta Energy Regulator;

"Regulation" means all regulations, as amended, under the Act.

"Term" has the meaning set forth in section 5 of this Disposition.

Grant of Disposition

- 002** The Regulatory body issues this Disposition to the Disposition Holder, in accordance with the Act/Regulation subject to the terms and conditions contained in this Disposition.
- 003** The Disposition Holder shall only use the Lands for the purpose/activity as referred to as such on the first page of this Disposition.

- 004 Notwithstanding any references in this Disposition, the Act, or the Regulation, this Disposition is not intended to be, nor shall it be interpreted as or deemed to be a lease of real property at common law.

Term

- 005 The term of this Disposition means the period of time commencing on the Effective Date and ending on the Expiry Date, unless otherwise changed in accordance with this Disposition (the "Term").

Disposition Fees and Other Financial Obligations

- 006 The Disposition Holder shall pay all fees, rents, charges, security and other amounts payable in accordance with Act and Regulations.
- 007 The Disposition Holder shall be responsible for the payment of, and shall pay promptly and regularly as they become due and payable, any tax, rate or assessment that is duly assessed and charged against the Disposition Holder, including but not limited to property taxes and local improvement charges with respect to the municipality in which the Lands are located.

Notwithstanding that this Disposition has expired, the Disposition Holder remains liable for the amount of the property taxes and local improvement charges.

Notwithstanding that this Disposition has been cancelled, the Disposition Holder remains liable for the amount of the property taxes and local improvement charges, as calculated on a pro-rated basis from January 1st of the last year of the Term to the date of cancellation of the Disposition.

- 008 The Disposition Holder shall be responsible for the payment of all costs to the appropriate service provider or to the Regulatory body charges with respect to the supply and consumption of any utility services and the disposal of garbage.

Compliance

- 009 The Disposition Holder shall enter on and occupy the Lands only for the Activity authorized under this Disposition.
- 010 The Disposition Holder shall obtain federal, provincial, municipal, and other permits and approvals, as applicable, with respect to activities that may take place on the Lands.

Condition of the Lands

- 011 The Disposition Holder accepts the Lands on an "as is" basis.

Improvements to the Lands

- 012** The Lands and buildings, structures and equipment erected thereon shall be used by the Disposition Holder solely for the purposes permitted by this disposition, the Act, and the Regulations.

Impact on Other Disposition Holders

- 013** The Disposition Holder shall be responsible for damage to improvements or to the Lands in which prior rights have been issued, including damage to traps, snares or other improvements.
- 014** The disposition holder is required to contact the registered trapper(s) identified on an Activity Standing Search Report by registered mail at least TEN DAYS PRIOR TO COMMENCING ANY ACTIVITY. This report can be requested along with the trapper's name and address from Alberta Energy, Crown Land Data Support (Telephone: 780-422-1395). For other information concerning registered traplines, contact the Client and Licensing Service, Environment and Parks, Edmonton, Alberta (Telephone: 780-427 5185).

Where applicable, the department may, in addition to any other charges, assess a further charge of 50 cents per acre (\$1.24 per hectare) on every acre or part acre in this disposition to fund the Trapper's Compensation Program.

Province's Use of the Lands

- 015** The Province may reconstruct, expand or alter its facilities on the Lands in any manner. The Disposition Holder shall, if directed by the Province, relocate the Disposition Holder's improvements at the Disposition Holder's expense in order to facilitate reconstruction, expansion or alteration of the Province's facilities.
- 016** The Disposition Holder acknowledges that:
- a) the regulatory body may issue additional dispositions to any person authorizing that person to enter onto, use and occupy the Lands for various purposes including, but not limited to, the extraction and removal of merchantable resources, or to conduct development, including, but not limited to mineral resource development;
 - b) the regulatory body may retain revenues from such additional dispositions; and
 - c) the Disposition Holder is not entitled to any reduction in its fees, rents, charges or other amounts payable on the basis that additional dispositions relating to the Lands have been issued.

Assignment, Subletting and Encumbrances

- 017** The Disposition Holder shall not:
- a) Permit any builder's liens or other liens for labour or material relating to work to remain filed against the Lands; or
 - b) Register, cause or allow to be registered, or permit to remain registered any caveat or encumbrance against the title to the Lands, without first obtaining the prior written consent of the regulatory body, which may be arbitrarily withheld.

Default and Termination

- 018** The regulatory body may cancel this Disposition immediately if:
- a) a creditor lawfully seizes any of the Disposition Holder's property on the Land;
 - b) the Disposition Holder is adjudged bankrupt or makes a general assignment for the benefit of creditors;
 - c) a receiver of any type is appointed for the Disposition Holder's affairs;
 - d) in the regulatory body's opinion, the Disposition Holder is insolvent;
- 019** The Regulatory body may, upon written notice to the Disposition Holder of not less than 60 days, cancel this Disposition or withdraw any part of the Lands from this Disposition as the Province considers necessary to construct banks, drains, dams, ditches, canals, turnouts, weirs, spillways, roads or other structures necessary or incidental to those works.

Reclamation

- 020** On or before the expiry or termination of this disposition, the Regulatory body, in its sole discretion, may order the Disposition Holder to:
- a) Remove all equipment, personal property, fixtures, structures, buildings or improvements of any sort that the Disposition Holder constructed, erected, placed, or brought onto the Lands or that the Disposition Holder caused or allowed to be constructed, placed, or brought onto the Lands (the "Holder's Items"), failing which the Holder's Items shall become the property of the Province;
 - b) Vacate the Lands and any of the Holder's Items not removed free from any encumbrance;
 - c) Reclaim the Lands to an equivalent land capability, as defined in the Regulation; and
 - d) Vacate the Lands

Indemnification and Limitation of Liability

- 021** The Disposition Holder shall indemnify and hold harmless the Province and/or the regulatory body, its employees, and agents against and from all actions, claims, demands, or costs (including legal costs on a solicitor-client basis) to the extent arising from:
- a) the Disposition Holder's breach of this Disposition, or
 - b) any actions or omissions, negligence, other tortious act, or wilful misconduct of the Disposition Holder, or of those for whom the Disposition Holder is legally responsible, in relation to the exercise of the rights, powers, privileges or duties under this Disposition.

- 022** The Disposition Holder shall not be entitled to any damages, costs, losses, disbursements, or compensation whatsoever from the Province or the Regulatory body, regardless of the cause or reason therefore, on account of:
- a) partial or total failure of, damage caused by, lessening of the supply of, or stoppage of utility services or any other service;
 - b) the relocation of facilities or any loss or damage resulting from flooding or water management activities;
 - c) the relocation of facilities or any loss or damage resulting from wildfire or wildfire management activities;
 - d) any damage or annoyance arising from any acts, omissions, or negligence of owners, occupants, or tenants of adjacent or contiguous property; or
 - e) the making of alterations, repairs, improvements or structural changes to the utility services, if any, anywhere on or about the Lands, provided the same shall be made with reasonable expedition.

Insurance

- 023** The Disposition Holder shall at all times during the Term, at its own expense and without limiting the Disposition Holder's liabilities therein, maintain the following insurance coverage in compliance with the Insurance Act, RSA 2000, c 1-3, with carriers, on forms, and with coverage and endorsements satisfactory to the regulatory body in its sole discretion:
- i. General or commercial liability insurance in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury, and property damage including loss of use thereof. That includes employees and members as additional insureds, products and completed operations liability if applicable; sudden and accidental pollution coverage if applicable; and watercraft liability if applicable;
 - ii. Automobile liability insurance on all vehicles owned, operated or licensed in the name of the Disposition Holder and used on or taken onto the Lands or used in carrying out the obligations under this Disposition in an amount not less than \$2,000,000;
 - iii. "All risk" property insurance insuring the Disposition Holder's personal property on the Lands against accidental loss or damage; and
 - iv. Such additional insurance policies and coverage as the Province reasonably requires from time to time, including, but not limited to, wildfire fights expense coverage in an amount not less than \$250,000.

- 024** The Disposition Holder shall, on request of the regulatory body, provide the regulatory body with acceptable evidence of insurance, in the form of a detailed certificate of insurance, prior to using or occupying the Lands and at any other time upon request of the Province. On request the Disposition Holder shall promptly provide the regulatory body with a certified true copy of each policy.
- 025** Any insurance called for under this Disposition shall be endorsed to provide the Regulatory body with at least 30 days advance written notice of cancellation or material change.

Notices

- 026** The Disposition Holder shall maintain current contact information with the Regulatory body.

Interpretation

- 027** The headings used throughout this Disposition are inserted for convenience of reference only and do not form part of the Disposition.
- 028** A reference to any federal or provincial law or regulation or to any municipal bylaw shall be deemed to be a reference to the law, regulation or bylaw as may be amended, revised, repealed and replaced, or substituted from time to time.

General

- 029** For greater certainty, the Disposition Holder shall comply with the terms of the attached indices, supplements, addendums and schedules, including:
- a) Administrative Conditions
 - b) Appendix A - Legal Land Description
 - c) Schedule A - Operating Conditions
 - d) Schedule B - Land Standing Report
 - e) Plan
 - f) Or otherwise identified by the regulatory body.
- 030** Should any term of the disposition be invalid or not enforceable, it shall be severed from the Disposition and the remaining terms of the disposition shall remain in full force and effect.
- 031** The Disposition Holder shall:
- a) generate and receive an Entry Confirmation Number through the Electronic Disposition System (EDS) within 72 hours of commencing the activity; and

b) provide other notifications in relation to the status of the activity as directed in writing by the regulatory body.

032 The disposition holder shall comply with the direction as provided within the Pre-Application Requirements for Formal Dispositions document as amended and in effect on the date of issuance of this formal disposition.

Appendix A
Legal Description
for
SML 120100

EP Plan No: 6006 SG
LTO Plan No:
Purpose: Surface Materials - Sand and Gravel

Affected Lands (Meridian-Range-Township-Section-1/4Section-Legal Subdivision-Quadrant-Quarter-Quadrant)

LAND	HECTARES	ACRES	DETAILS
W4-18-061-21-SE	32.090	79.30	

AREA SUMMARY

The total lands herein described contain 32.090 HA (79.30 ACRES) more or less.

SUBJECT TO

The authorizations and dispositions listed on the attached "Schedule B", if any, have been issued on the quarter sections of land on which your disposition has been issued and may be prior and subsisting authorizations and dispositions to your disposition and may relate to and affect your disposition and the land on which your disposition has been issued.

Supplementary Information

(LTO) - Land Titles Office
(AE) - Alberta Environment/Land Administration Division
(ATS) - Alberta Township System
(HA) - Hectares
1 Hectare = 2.471054 Acres

2017/10/05 11:43:02 AM

Submitted by: BHUXLEY

DISCLAIMER

THIS STANDING REPORT IS PROVIDED SUBJECT TO THE CONDITION THAT HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ALBERTA AND HER EMPLOYEES:

(1) HEREBY DISCLAIM AND ARE RELEASED FROM ANY AND ALL RESPONSIBILITY FOR THE INFORMATION IN, AND ANY OMISSION OF THE INFORMATION FROM, THIS REPORT;
(2) SHALL NOT BEAR ANY RESPONSIBILITY FOR ANY LOSS OR DAMAGE OF ANY KIND ARISING FROM OR IN RESPECT OF ANY ABSENCE OF INFORMATION OR ANY ERRORS OR OMISSIONS (WHETHER THE AFORESAID OCCASIONED BY NEGLIGENCE OR OTHERWISE) IN OR AFFECTING THIS REPORT OR THE INFORMATION THEREIN.

THIS REPORT DOES NOT SHOW CAVEATS, BUILDERS' LIENS, OR OTHER INSTRUMENTS, IF ANY, REGISTERED AT LAND TITLES OFFICE IN RESPECT OF ANY LANDS OR INTERESTS THEREIN. PERSONS ARE ADVISED TO ALSO EXAMINE RECORDS AT LAND TITLES OFFICE TO ASCERTAIN WHETHER OTHER INSTRUMENTS THAT MAY CONCERN THE LANDS OR INTERESTS THEREIN HAVE BEEN REGISTERED.

***** END OF REPORT *****

**Operating Conditions
SCHEDULE A**

1. 1672 The annual rental is payable yearly in advance. Unless this authority is amended, the rate will remain in effect for a period of 5 years after which the Department may change it for each 5 year period, according to the rate established by the Department for the purpose for which this authority is granted.
2. 9098 The holder shall contact and advise the departmental officer of its intentions:
 - prior to entry upon the lands for a stated purpose,
 - prior to any additional construction during the term of this disposition,
 - at the completion of operations, and
 - upon abandonment of this activity.Lac La Biche, Alberta, Telephone: (780) 623-5279.
3. 1580 The disposition holder shall conduct its operations or activities and reclaim any disturbed land in accordance with the most recent and regulatory approved Conservation and Reclamation Business Plan and Addendum dated May 2017 that forms part of this authority
4. 1569 The disposition holder shall provide to the regulatory body, to the satisfaction of the regulatory body in its sole discretion, a security deposit or timber damage charges, or both as the case may be prior to any disturbance/operations occurring on the lands in accordance with the approved Conservation and Reclamation Business Plan and Addendum dated May 2017 that forms part of this authority.
5. 1570 Provided that the disposition holder establishes to the satisfaction of the regulatory body that the surface materials removed under this authority were supplied free of charge and used by the Government of Alberta or used in the construction or maintenance of a public work owned by the province or a municipality in Alberta, no royalty is payable. To qualify for royalty exemption, it is the responsibility of the holder to provide documented proof that the surface materials were used for construction and maintenance of a public work.
6. 1573 The disposition holder shall submit to the regulatory body two copies of a completed Surface Material Lease Annual Operating Report on the December 31 of each year, to the regulatory body.
7. 1579 The disposition holder shall provide to the regulatory body an updated Conservation and Reclamation Plan within 6 months of disposition renewal and prior to the approval of any additional operating area.

8. 1582 This formal disposition is subject to cancellation or withdrawal of portions of land if development and production are not in accordance with the most recent and approved Conservation and Reclamation Business Plan and Addendum dated May, 2017 that forms part of this authority.
9. 1581 The disposition holder must commence operations on the site within three years of the date of the approved Conservation Reclamation Business Plan. Failure to develop this activity within the specified time frame shall result in cancellation of the lease.
10. 1583 At any time during the term of the lease, and/or at assignment, cancellation or expiry of the lease, the regulatory body may require that a volumetric survey of the lease site be completed by the disposition holder in accordance with regulatory body standards for audit or assessment purposes. The cost of the survey is the sole responsibility of the holder.
11. 1575 The disposition holder must maintain all records on pre-numbered invoices, bills of lading, truckers tickets or other documents, which accurately show the name and address of the receiver of the materials removed (clay, marl, sand, gravel, topsoil or peat), the number of cubic yards or cubic metres removed or being hauled and the legal description of the pit from which the material was removed.
12. 1561 The Disposition holder shall pay the royalties, specified by the Regulation in force at the time the surface materials are removed, taxes and other charges that may be assessed against the land.
13. 1562 The Disposition holder shall keep and maintain complete and accurate books and records of a type and form satisfactory to the director showing the quantity of surface materials removed from the land.
14. 1563 The Disposition holder shall file a return with the Department within thirty days of the end of each twelve month period of the term and at any other time as the director may request in writing.
15. 1564 The Disposition holder shall pay a penalty of \$25.00 for neglecting to file a return on time in accordance with this disposition, in addition to all other payments he is obliged to make under the terms hereof or under the Regulation.
16. 1565 The Disposition holder shall submit his books and records for audit, pursuant to Section 118 of the Regulation, to an Officer of the Department identified by the director.
17. 1567 The Minister may, by order, authorize the Minister of Infrastructure, the Minister of Transportation or any other person to enter the land under a disposition and remove surface material required for the construction or maintenance of public roads or other public works.

18. 1568 The annual return shall report the quantity and kind of surface material removed during the preceding twelve-month period. The quantity of peat removed shall be expressed as the cubic content of the compressed product prepared for market.

All licences, authorizations and approvals issued under the *Alberta Environmental Protection and Enhancement Act*, *Water Act* or *Public Lands Act* should not be taken to mean the proponent (applicant) has complied with federal legislation. Proponents should contact Habitat Management, Fisheries and Oceans in relation to the application of federal laws relating to the *Fisheries Act (Canada)*.

Fisheries Protection Program, Fisheries and Oceans Canada

867 Lakeshore Road, Burlington, Ontario, L7R 4A6

Telephone: 1-855-852-8320

Email: fisheriesprotection@dfw-mpo.gc.ca

Web address: www.dfw-mpo.gc.ca

Proponents should also contact the Navigation Protection Program, Canadian Coast Guard, 4253-97 Street, Edmonton, Alberta, T6E 5Y7, phone: (780) 495-4220, relating to the *Navigation Protection Act*.

/b

Selection Criteria			
Grouping/Rollup			
Group By:	Land		
Rollup:	Y		
Selected Sections			
Geo-Administrative Area:	Y		
Requested Lands:	Y		
Title Information:	NA		
Activity Details:	Y		
Subdivisions:	NA		
Client List:	N		
Selected Activities			
Surface Dispositions	Y	Status: All Types: All	
Geophysical	N	Status: None Types: None	
Reservations	Y	Status: All Types: All	
Encumbrances	Y	Status: All Types: All	
Land Postings	Y	Status: All Types: All	
Activity Numbers			
SML 120100			

Requested Land

Requested Land	Ownership Status	Administered By	Titled Status	Survey Status	Area in Hectares		Area in Acres		Water
					Land	Title	Land	Title	
W4-18-061-21-SE	Crown	FLW	Untitled	Surveyed	64.750	0.000	160.00	0.00	No Water Coverage
TOTAL					64.750	0.000	160.00	0.00	

Geo Administrative Areas

ALBERTA ENERGY REGULATOR	NORTH CENTRAL REGION	Code: AER-NC
W4-18-061		
COAL DEVELOPMENT REGION	SETTLED	Code: CDR-1
W4-18-061		
COUNTY	SMOKY LAKE COUNTY	Code: CTY-013
W4-18-061-21		
ENVIRONMENT CORPORATE REGION	NORTHERN	Code: ENV-3
W4-18-061		
ENVIRONMENT CONS. & RECL. DISTRICT	NO. 6	Code: ERD-006
W4-18-061		
FOREST MANAGEMENT UNIT	NORTHEAST	LO1 LAC LA BICHE
W4-18-061		
FISH & WILDLIFE ADMIN REGION	NORTHEAST REGION	ST PAUL
W4-18-061		
FISH AND WILDLIFE DISTRICT	NORTHEAST REGION	SMOKY LAKE
W4-18-061		
FISH & WILDLIFE REFERRAL LANDS		Code: FWR
W4-18-061-21		

Req: 0000786327

Activity Standing Search

LSRCS80D

Report Date: 2017/10/05

Time: 11:46:30

Requested by BHUXLEY

Page 4 of 10

GENERAL LANDS CLASSIFICATION	WHITE		Code: GLC-W
W4-18-061			
GRAZING ZONE	C		Code: GRZ-C
W4-18-061			
LAND USE AREA	NORTHEAST 1	ATHABASCA	Code: LUA-NE1-3
W4-18-061			
OPERATIONAL APPROVAL DISTRICTS	Lower Athabasca Region	Lower Athabasca Region - South District	Code: OPD-6-1
W4-18-061			
RANGELAND DISTRICT	NORTHEAST	LAC LA BICHE WEST	Code: RLD-NE-6
W4-18-061			

End of Geo Administrative Areas

Land Activity	Status/Type	Date	Activities and Titles		Total Area	
			Expiry	Meters and Bounds Client	Acres	Hectares
<hr/>						
W4-18-061						
AOA 060009	Active/Disposed	2006/10/13	2007/10/17	REPSOL OIL & GAS CANADA INC.	0.00	0.000
				ACTIVITY DETAIL INFORMATION		
				OPTION TO PURCHASE (Y/N):	WITHIN 100M OF WATERBODY (Y/N):	PURPOSE:
				DIMENSION:	CLIENT FILE NO:	
				NO PLANS		
					(0.00)	(0.000)
<hr/>						
W4-18-061-21						
GRL 35794	Active/Disposed	1958/10/01	2022/04/30	JOHN KOZMA JANICE KOZMA	1,118.00	452.439
				ACTIVITY DETAIL INFORMATION		
				OPTION TO PURCHASE (Y/N): N	WITHIN 100M OF WATERBODY (Y/N):	PURPOSE:
				DIMENSION:	CLIENT FILE NO:	
				PLAN NO	LTO PLAN NO	ITEM
				7832 SK		VERSION DATE(S)
						2010/05/28
					(638.00)	(258.190)

Activities and Titles

Land Activity	Status/Type	Date	Expiry	Metes and Bounds Client	Total Area	
					Acres	Hectares
PNT160014	Active/Disposed	2016/04/20	9999/04/20		6,209.76	2,513.000

LAC LA BICHE OFFICE-LAND USE AREA- LANDS DIVISION DEPT OF SUSTAINABLE RESOURCE DEV
 0110 : EROSION HAZARD
 4 : NO SURFACE DISPOSITION
 100 : GRAZING HAYING
 200 : TIMBER HARVEST
 621 : OIL AND GAS

Sensitive soils area - Eluviated Eutric Brunisol class. Weak soil structure, low moisture and nutrient retention, high permeability and shallow or absence of top soil. Wind and water erosion risks.

ACTIVITY DETAIL INFORMATION

PLAN NO	LTO PLAN NO	ITEM	VERSION DATE(S)	Acres	Hectares
9490 RN			2016/04/11	(638.00)	(258.190)
TPA 951	1987/09/01	2013/06/30 ELMER CARDINAL		0.00	0.000

ACTIVITY DETAIL INFORMATION

OPTION TO PURCHASE (Y/N):
 DIMENSION:
 WITHIN 100M OF WATERBODY (Y/N):
 CLIENT FILE NO:
 PURPOSE:
 NO PLANS

(0.00) (0.000)

 W4-18-061-21-SE

Activity Standing Search

Requested by: BHUXLEY

Land Activity	Status/Type	Date	Expiry	Metes and Bounds Client	Remarks	Total Area		
						Acres	Hectares	
CRB 150020	Application	2015/03/24		KATIE BALL		78.46	31.752	
				ACTIVITY DETAIL INFORMATION				
				OPTION TO PURCHASE (Y/N):	WITHIN 100M OF WATERBODY (Y/N):	PURPOSE:		
				DIMENSION:	CLIENT FILE NO:			
				NO PLANS				
CRB 170076	Application	2017/08/03		JOHN KOZMA JUSTYN BADRY		78.70	31.849	
				ACTIVITY DETAIL INFORMATION				
				OPTION TO PURCHASE (Y/N):	WITHIN 100M OF WATERBODY (Y/N):	PURPOSE:		
				DIMENSION:	CLIENT FILE NO:			
				NO PLANS				
CRB 170082	Application	2017/08/03		LLANA LEFEBVRE DONNIE W.J. BADRY		79.86	32.318	
				ACTIVITY DETAIL INFORMATION				
				OPTION TO PURCHASE (Y/N):	WITHIN 100M OF WATERBODY (Y/N):	PURPOSE:		
				DIMENSION:	CLIENT FILE NO:			
				NO PLANS				
						(23.97)	(9.700)	

Activities and Titles

Land Activity	Status/Type	Date	Expiry	Metes and Bounds Client	Remarks	Total Area	
						Acres	Hectares
SML 120100	Land Amendment Application	2014/08/07				79.30	32.090
KATIE BALL							
ACTIVITY DETAIL INFORMATION							
	OPTION TO PURCHASE (Y/N): DIMENSION: IRREGULAR PLAN NO 6006 SG		LTO PLAN NO	ITEM	PURPOSE: Surface Materials - Sand and Gravel CLIENT FILE NO: VERSION DATE(S) 2015/03/18	(79.30)	(32.090)
SML 120101	Land Amendment Application	2017/06/27				79.42	32.140
LLANA LEFEBVRE DONNIE W.J. BADRY							
ACTIVITY DETAIL INFORMATION							
	OPTION TO PURCHASE (Y/N): DIMENSION: IRREGULAR PLAN NO 6007 SG		LTO PLAN NO	ITEM	PURPOSE: Surface Materials - Sand and Gravel CLIENT FILE NO: VERSION DATE(S) 2015/02/19	(23.97)	(9.700)

Req: 0000786327

Activity Standing Search

LSRC580D

Report Date: 2017/10/05 Time: 11:46:30

Requested by: BHUXLEY

Page 9 of 10

Activities and Titles

Land Activity	Status/Type	Date	Expiry	Metes and Bounds Client	Remarks	Total Area	
						Acres	Hectares
SML 140092	Land Amendment Application	2017/06/27		JOHN KOZMA JUSTYN BADRY		78.70	31.850

ACTIVITY DETAIL INFORMATION

OPTION TO PURCHASE (Y/N):	WITHIN 100M OF WATERBODY (Y/N)	PURPOSE: Surface Materials - Sand and Gravel
DIMENSION (2) Irregular	CLIENT FILE NO. CRB 170076	
PLAN NO	LTO PLAN NO	VERSION DATE(S)
6945 SG		2015/03/11
		(1.38)
		(0.560)

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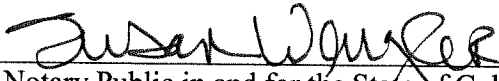
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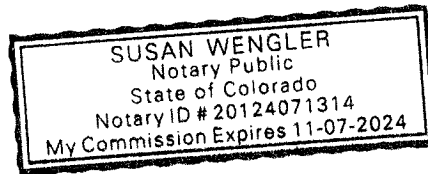
*** END OF REPORT ***

THIS IS EXHIBIT "N" REFERRED TO IN
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 4th DAY OF MARCH, 2021


A Notary Public in and for the State of Colorado



From: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Sent: December 6, 2020 10:58 PM
To: Kyriakakis, Pantelis; Cumming, Tom
Cc: Hanert, Caireen; Collins, Sean F.; Cones, Tristen; Bullen, Suzanne
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

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Yes Pantelis...the amendments that you have included below are acceptable to CRA.

Thanks

Jill

From: Kyriakakis, Pantelis [mailto:pkiriakakis@mccarthy.ca]
Sent: December 4, 2020 5:32 PM
To: 'Cumming, Tom' <Tom.Cumming@gowlingwlg.com>; Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Cc: Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>; Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

Thanks, Tom.

Jill, does the below work for the CRA?

Cheers,



Pantelis Kyriakakis
Associate | Sociétaire
Bankruptcy and Restructuring | Faillite et restructuration
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C: 403-479-5484
E: pkiriakakis@mccarthy.ca

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Calgary AB T2P 4K9

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From: Cumming, Tom <Tom.Cumming@gowlingwlg.com>
Sent: Friday, December 04, 2020 5:27 PM

To: Kyriakakis, Pantelis <pkyriakakis@mccarthy.ca>; Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Cc: Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>; Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

I agree with those refinements.

Tom Cumming
Partner
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M +1 403 606 4592

tom.cumming@gowlingwlg.com

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From: Kyriakakis, Pantelis <pkyriakakis@mccarthy.ca>
Sent: December-04-20 5:13 PM
To: Cumming, Tom <Tom.Cumming@gowlingwlg.com>; Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Cc: Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>; Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

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Apologies, a few clarification and revision below. Please let me know if the revised is agreeable.

Happy to discuss.

Cheers,



Pantelis Kyriakakis
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Calgary AB T2P 4K9

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From: Cumming, Tom <Tom.Cumming@gowlingwlg.com>
Sent: Friday, December 04, 2020 4:51 PM
To: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Cc: Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>; Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: Re: [EXT] RE: JMB Crushing Voluntary Disclosure Program

JMB and Mantle are also in agreement.

Tom Cumming
Dir: (403) 298-1938
Cell: (403) 606-4592
tom.cumming@gowlingwlg.com

On Dec 4, 2020, at 4:42 PM, Medhurst, Jill <Jill.Medhurst@justice.gc.ca> wrote:

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Yes Tom...CRA agrees with what you have stated below.

Thanks

Jill

From: Cumming, Tom [mailto:Tom.Cumming@gowlingwlg.com]
Sent: December 4, 2020 4:25 PM
To: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>; Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

Hi Jill

I wanted to make sure I am understanding the proposal set out in yesterday afternoon's email. If you would indulge me, the following is what I understand:

- The \$1.85m held by FTI which was paid to it by the MB of Bonnyville (the "Bonnyville Funds"), together with the additional \$207k paid to FTI on the EllisDon project, would not be distributed pending a determination of the quantum and priority of the potential claims of the CRA described in the Voluntary Disclosure Letter of Bennett Jones (the "VDP Claims");
- The Bonnyville Funds are also subject to a claim by various lien and trust claimants, and to the extent that such claims were determined by the Court to be valid, there would remain a potential priority dispute between those claimants, the CRA in respect of the VDP Claims and ATB;
- The CRA would not claim any funds currently held by JMB, including all funds already distributed and those which are distributed prior to the completion of the purchase and sale transactions under the Asset Purchase Agreement dated September 28, 2020

between JMB, 216 and Mantle (the "Mantle APA"), however, following closing of the Mantle APA and related transactions the CRA could make such claims and exercise such remedies as it may have in respect of its VDP Claim, in excess of \$2m, against JMB's property and assets which are: (i) transferred to 216 pursuant to the Reverse Vesting Order; and, (ii) not encumbered by the CCAA Charges granted in JMB's CCAA proceedings;

- The CRA would not seek to set aside or prevent the completion of the transactions contemplated by the Mantle APA, and following the completion of such transactions, would not seek to collect or enforce its VDP Claim against Mantle;
- Subject to the forgoing, the CRA would continue to have any other remedies that might be available to enforce the VDP Claims under the Income Tax Act.

Is my interpretation correct?

Best regards,

Tom Cumming

Partner

T +1 403 298 1938

M +1 403 606 4592

tom.cumming@gowlingwlg.com

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From: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>

Sent: December-03-20 6:46 PM

To: Kyriakakis, Pantelis <pkiriakakis@mccarthy.ca>; Cumming, Tom <Tom.Cumming@gowlingwlg.com>;

Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>

Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>

Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

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Good evening,

I have spoken to CRA and they are agreeable to the Monitor holding back \$2 M (from the MD of Bonneville and Elis Don funds), which funds will be used by CRA to assert and pay any priority claims (and related claims) set out in Bennett Jones Voluntary Disclosure letter dated September 9, 2019, and will not make a claim to any other funds arising or that have arisen in the CCAA proceedings. If CRA's priority claims amount to more than \$2 M, CRA will still be entitled to take further collection action against the 216 assets, once the JMB assets are transferred to 216 and take any and all collection actions provided for under the Income Tax Act of Canada, once these claims are verified and assessed by CRA.

Let me know if you have any questions arising from the above.

Thanks

Jill

From: Kyriakakis, Pantelis [mailto:pkgyriakakis@mccarthy.ca]
Sent: December 3, 2020 2:15 PM
To: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>; Cumming, Tom <Tom.Cumming@gowlingwlg.com>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: [EXT] RE: JMB Crushing Voluntary Disclosure Program

Thanks, Jill and Tom. 4:00 p.m. works for me and I will have updated numbers for our call at 4:00 for us to discuss.

Cheers,

<image001.png> **Pantelis Kyriakakis**
Associate | Sociétaire
Bankruptcy and Restructuring | Faillite et restructuration
T: 403-260-3536
C: 403-479-5484
E: pkgyriakakis@mccarthy.ca

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Calgary AB T2P 4K9

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<image002.png>

<image003.jpg>

From: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Sent: Thursday, December 03, 2020 1:53 PM
To: Cumming, Tom <Tom.Cumming@gowlingwlg.com>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Collins, Sean F. <scollins@MCCARTHY.CA>; Kyriakakis, Pantelis <pkgyriakakis@mccarthy.ca>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: [EXT] RE: JMB Crushing Voluntary Disclosure Program

Thanks Tom...yes I would like to discuss this matter with you, but, I am still obtaining more information from CRA. It is frustrating as so much turns on what CRA's priority will be and we don't really know what the actual amount will be. Also, perhaps the trust applications will not continue if CRA is going to take priority over these claims.

We can discuss and see if this matter should be dealt with on December 7 and 8. If the Monitor and the Company can agree to hold back \$2.4 M (and this number will most likely drop but I need to speak with an auditor) then we can report this to the court on Monday. Can you please confirm the total amount of funds being held by the Monitor and the Company, that can be distributed? I am free at 4:00 pm if that works for you and Pantelis. Or tomorrow I am free to discuss as well.

Thanks

Jill

From: Cumming, Tom [<mailto:Tom.Cumming@gowlingwlg.com>]
Sent: December 3, 2020 1:40 PM
To: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Sean F. Collins (scollins@mccarthy.ca) <scollins@mccarthy.ca>; Pantelis Kyriakakis (pkyriakakis@mccarthy.ca) <pkyriakakis@mccarthy.ca>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: JMB Crushing Voluntary Disclosure Program

Jill,

We are thinking later in January. Pantelis Kyriakakis (who acts for the Monitor) and I thought it would be productive to have a discussion. I have to run out right now, and at 3, but would otherwise make myself available.

Tom

Tom Cumming
Partner
T +1 403 298 1938
M +1 403 606 4592

tom.cumming@gowlingwlg.com

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From: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Sent: December-03-20 1:25 PM
To: Cumming, Tom <Tom.Cumming@gowlingwlg.com>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Sean F. Collins (scollins@mccarthy.ca) <scollins@mccarthy.ca>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: JMB Crushing Voluntary Disclosure Program

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Thanks Tom...I will check with CRA and get back to on this as soon as I can. What date are you considering extending the CCAA to?

From: Cumming, Tom [<mailto:Tom.Cumming@gowlingwlg.com>]
Sent: December 3, 2020 10:42 AM
To: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Sean F. Collins (scollins@mccarthy.ca) <scollins@mccarthy.ca>
Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; Bullen, Suzanne <Suzanne.Bullen@justice.gc.ca>
Subject: RE: JMB Crushing Voluntary Disclosure Program

Jill,

Thank you for your email. I have reviewed it with management of JMB Crushing Systems Inc. ("JMB"). While the current management team was not in place prior to November 2018, they have not been able to identify the communication that was referred to in the following quote from the CRA's December 2, 2020 letter to JMB:

"We initiated contact with you before your application was received. This contact is sufficiently related to the information being disclosed."

Please provide us with copies of that communication at your earliest convenience. We appreciate your attention to this matter.

Note that we have not copied Darrell Peterson, who acts for the former management of JMB and the pre-November 2018 shareholders of JMB, and is adverse in interest to the current management and controlling shareholder of JMB.

Best regards,

Tom Cumming
Partner
T +1 403 298 1938
M +1 403 606 4592

tom.cumming@gowlingwlg.com

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From: Medhurst, Jill <Jill.Medhurst@justice.gc.ca>
Sent: December-02-20 4:41 PM
To: Darrell Peterson <PetersonD@bennettjones.com>; Cumming, Tom <Tom.Cumming@gowlingwlg.com>; Hanert, Caireen <Caireen.Hanert@gowlingwlg.com>; Sean F. Collins (scollins@mccarthy.ca) <scollins@mccarthy.ca>

Cc: Cones, Tristen <Tristen.Cones@justice.gc.ca>; **Bullen, Suzanne** <Suzanne.Bullen@justice.gc.ca>
Subject: FW: JMB Crushing Voluntary Disclosure Program

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Good afternoon,

Attached is a copy of CRA's response to the Voluntary Disclosure letter sent to CRA in the above matter. This letter was sent to the company yesterday.

CRA will be proceeding to prepare a marker or contingent claims and will provide copies of these claims soon to the Monitor. We will have to work out how funds will be held back to cover these claims. If we are able to reach an agreement of holding back funds to cover these claims then I do not have any matters for the court the deal with on December 7 and 8, 2020. However, if an such an agreement cannot be reached between CRA, the Company and the Monitor, then we will have to deal with this issue on either December 7 or 8, 2020. I am happy to discuss further.

Thanks

Jill

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