

COURT FILE NUMBER 2001-05482  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C.  
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., MANTLE MATERIALS  
GROUP LTD. and 2324159 ALBERTA INC.

**DOCUMENT**

**AFFIDAVIT**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Alberta Justice and Solicitor General**  
Legal Services Division  
Suite 1710, 639 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0M9

**Attention: Melissa N. Burkett /  
Natasha Sutherland**  
Telephone: (403) 297-2001  
Facsimile: (403) 662-3824  
Email: [melissa.burkett@gov.ab.ca](mailto:melissa.burkett@gov.ab.ca) /  
[natasha.sutherland@gov.ab.ca](mailto:natasha.sutherland@gov.ab.ca)

Our File No. LIT-11583

**AFFIDAVIT OF HEATHER DENT**

**Sworn on March 29, 2021**

I, Heather Dent, of the City of Edmonton, in the Province of Alberta, MAKE OATH  
AND SWEAR THAT:

1. I am Compliance Manager with the Government of Alberta, Department of Environment and Parks. I have personal knowledge of the facts and matters in this Affidavit, except those made on information and believe, in which case I believe them to be true.

### **Background**

2. Alberta Environment and Parks (“**AEP**”) (and in certain, unrelated circumstances, the Alberta Energy Regulator) administers, manages, and regulates Crown land, i.e., “public land” and public lands dispositions in Alberta.

3. Administration of public lands includes controlling “Rights of Access”, “Surface Rights”, and “Subsurface Rights”. AEP manages the use of public lands through the issuance of dispositions.

4. Public land dispositions are regulated by the *Public Lands Act* (the “**Act**”) and the *Public Lands Administration Regulation* (the “**Regulation**”). A disposition must be obtained under the Act for any access to, or activity on, public lands, and must comply with the Regulation.

5. A disposition is an instrument that conveys an interest, right or privilege in respect of public land. There are three classes of dispositions defined in the Regulation:

- (a) Formal Disposition
- (b) Authorization
- (c) Approval

6. Dispositions under the Act and the Regulation include, among other things:

- (a) Surface Materials Leases (“**SML**”);
- (b) Miscellaneous Leases (“**DML**”);
- (c) Licence of Occupations (“**DLO**”);
- (d) Access Permits (“**TFA**”); and
- (e) Surface Materials Licences (“**SMC**”).

7. SMLs (formal dispositions) are statutory instruments that grant exclusive rights to use public lands for the purpose of extracting surface materials (e.g., gravel, sand, clay, marl, etc.) and are subject to pay royalties. SMLs may be issued for an initial term of up to 10 years and may be renewed, assigned, mortgaged, transferred, sublet or reinstated. Applications for SMLs must be supported by a detailed Conservation and Reclamation Business Plan (“**CRBP**”).

8. DMLs (formal dispositions) are statutory instruments that grant exclusive rights to use public lands for various industrial and commercial purposes. DMLs may be issued an initial term of up to 4 years and may be renewed, assigned, mortgaged, transferred, sublet, and reinstated.
9. DLOs (formal dispositions) grant the right to occupy public land for an approved purpose. DLOs may be issued for an initial term of up to 4 years and may be renewed, assigned, mortgaged, transferred or reinstated (if the requirements are met) but cannot be sublet.
10. TFAs are statutory instruments that permit temporary entry and occupation of vacant public land for recreational or commercial purposes.
11. SMCs are statutory instruments that grant the right to use public land for the removal of surface materials. They are issued for a maximum of one year.

#### **Granting, Refusal, and Cancellation of Dispositions**

12. Sections 15 and 20 of the Act empower the director to authorize dispositions on public land.
13. Section 15.1 of the Act empowers the director to refuse a disposition for, among other things, non-compliance with the Act and the Regulation.
14. Section 26(1) of the Act empowers the director to cancel, suspend or amend a disposition for, among other things, non-compliance with the Act and the Regulation.
15. Appeals of the director's decisions on dispositions are addressed in Part 10 of the Regulation and are made to the Public Lands Appeal Board.

#### **Abandonment and Reclamation Obligations on Public Lands**

16. When the AEP grants a disposition, the applicant must satisfy any abandonment, reclamation and remediation obligations for the purpose of restoring the surface of the property to equivalent land capability.
17. The Regulation contains certain provisions that confirm a disposition holder's requirement to comply with abandonment and reclamation obligations:
  - (a) Section 22 permits the Minister or the director to require security to ensure acceptable reclamation and compliance; and
  - (b) Section 21(1)(f) requires the disposition holder to reclaim the subject land on the expiry, cancellation, surrender or abandonment of the formal disposition to an equivalent land capability.

18. “Equivalent land capability” in the Regulation means a condition in which the ecosystem processes on the land are capable of producing goods and services of a quality and in a quantity that is at least equivalent to that which existed before the disposition was issued to the holder.

19. In addition to the Act and the Regulation, the *Environmental Protection and Enhancement Act* (“EPEA”) imposes reclamation obligations with respect to surface material operations on public lands.

20. Under EPEA, a “pit” is an operation on or excavation from the surface of the land, including by stripping off the overburden, for the purposes of removing, opening up or providing sand, gravel, clay or marl, and includes any associated infrastructure, but does not include a mine or quarry.

21. Pits on public lands are subject to the general environmental provisions of EPEA and the *Conservation and Reclamation Regulation* under EPEA.

22. Under EPEA, inspectors may issue environmental protection orders (“EPO”) to an operator regarding conservation and reclamation. Appeals of EPOs can be made to the Environmental Appeal Board (the “EAB”).

23. Certain pits on public lands may also require approval under the *Water Act* if water is used (as for gravel washing) or diverted (as for pit dewatering) or if the pit is within the floodplain, a watercourse or waterbody.

24. Under the *Water Act*, the director may issue an enforcement order (“EO”) if, in the director’s opinion, there has been contravention of the legislation. Appeals of EOs can also be made to the EAB.

### **Dispositions held by JMB and 216**

25. The following table outlines the public land dispositions currently and most recently held by JMB Crushing Systems Inc. (“JMB”) (the “JMB Dispositions”) and 2161889 Alberta Ltd. (“216”) (the “216 Dispositions”):

<u>Registration #</u>	<u>Type of Disposition</u>	<u>Registrant</u>	<u>Date obtained</u>
SML 060060	SML	216	March 15, 2019
SML 080085	SML	216	April 26, 2012
SML 100085	SML	216	June 24, 2016
SML 110025	SML	216	February 11, 2014
SML 110026	SML	216	April 11, 2012
SML 110045	SML	216	March 18, 2015
SML 110046	SML	216	March 18, 2015
SML 110047	SML	216	March 18, 2015
SML 120005	SML	216	October 5, 2017
SML 120006	SML	216	October 5, 2017

SML 120100	SML	216	October 5, 2017
SML 120027	SML	JMB	January 13, 2020
SML 930040	SML	JMB	Assigned December 15, 2008
SML 980116	SML	JMB	February 16, 1999 / expired February 15, 2009
DLO 170011	DLO	216	August 15, 2017
DML 120032	DML	JMB	January 7, 2013
SME 200009	SME	JMB	March 20, 2020
SMC 110019	SMC	JMB	January 13, 2020
TFA 123579	TFA	JMB	January 13, 2020
TFA 194837	TFA	JMB	October 16, 2019 / expired October 16, 2020
TFA 201094	TFA	216	January 13, 2020 / expired January 24, 2020
TFA 201290	TFA	216	February 5, 2020 / expired July 7, 2020
TFA 202260	TFA	216	May 29, 2020 / expired November 30, 2020
CRB 100024	CRB	216	May 28, 2014
CRB 100032	CRB	216	April 26, 2012
CRB 120004	CRB	216	February 11, 2014
CRB 120005	CRB	216	April 11, 2012
CRB 120037	CRB	216	March 6, 2015
CRB 120039	CRB	216	March 18, 2015
CRB 120047	CRB	216	January 13, 2020
CRB 140022	CRB	216	October 4, 2017
CRB 140069	CRB	216	June 24, 2016
CRB 150020	CRB	216	October 5, 2017
CRP 000104	CRP	JMB	October 25, 1999

### **The RVO and the SAVO**

26. I understand that, on October 16, 2020, the Court issued, among other things, the following orders:

- (a) The Reverse Vesting Order (the “**RVO**”); and
- (b) The Mantle Sale Approval and Vesting Order (the “**SAVO**”).

27. From my review of both the RVO and the SAVO, I understand that:

- (a) Subject to the approval of AEP, certain 216 Dispositions would be assigned to, and vested in, the Purchaser, Mantle Group Materials, Ltd. (“**Mantle**”); and
- (b) Subject to the approval of AEP, certain JMB Dispositions would be assigned to, and vested in, 216.

28. On October 19, 2020, counsel for the Plan Parties submitted assignments for the following 216 Dispositions:

- (a) SML 080085;
- (b) SML 100085;
- (c) SML 110025;
- (d) SML 110026;
- (e) SML 110045;
- (f) SML 110046;
- (g) SML 110047;
- (h) SML 120005;
- (i) SML 120006; and
- (j) SML 120100

(collectively, the “**Proposed Mantle Assignments**”).

29. Counsel for the Plan Parties submitted assignments for SML 120027 and DML 120032 on October 29, 2020 (the “**Proposed JMB to 216 Assignments**”).

#### **Compliance issues involving 216 and JMB**

30. In or around early November, 2020, as part of its consideration of the Proposed Mantle Assignments, AEP conducted a file review of the JMB and 216 Dispositions.

31. As a result of that review, AEP determined that certain of the JMB and 216 Dispositions were inactive, at various stages of development, and had associated outstanding reclamation obligations.

32. By letter dated November 16, 2020, AEP advised counsel for JMB and 216, as well as JMB and 216 of the results of the file review (the “**Notice of Outstanding Reclamation Obligations**”). A copy of the Notice of Outstanding Reclamation Obligations is attached as **Exhibit “A”**.

33. In particular, the Notice of Outstanding Reclamation Obligations directed JMB to immediately take measures to complete all end of life obligations for the lands subject to the following dispositions:

DML 120032
SME 200009
SML 120027
SML 930040
SML 980116

34. 216 was directed to take measures to complete all end of life obligations for the lands subject to SML 060060.

35. AEP requested a response by no later than November 30, 2020.

36. On November 23, 2020, AEP advised 216 of certain outstanding steps that were required to be completed before its application to assign the Proposed Mantle Assignments would be considered. A copy of AEP's letter is attached as **Exhibit "B"**.

37. On March 12, 2021, AEP wrote to Tyler Pell advising that it had not received a response to its letter of November 23 letter. A copy of AEP's letter is attached as **Exhibit "C"**.

#### **Letter of Non-Compliance**

38. On February 23, 2021, AEP issued Notices of Non-Compliance to both JMB and 216. Copies of the Notices are attached as **Exhibits "D"** and **"E"**.

39. Both Notices of Non-Compliance required JMB and 216 to submit a written plan by no later than February 26, 2021, among other things:

- (a) Detailing their assessment of the dispositions against the terms and conditions of the disposition, the Act, and the Regulation; and
- (b) Describing how each planned to bring each disposition into compliance with the Act, the Regulation, and the terms and conditions of the disposition, including a timeline to completion.

40. Additionally, the JMB Notice of Non-Compliance required JMB to state, by no later than February 26, 2021, its immediate plans to operate the pit on the lands contained in SML 120027.

41. Copies of emails from Tyler Pell, on behalf of JMB and 216, to AEP are attached as **Exhibit "F"**.

42. Written plans were submitted on behalf of JMB and 216 in response to the Notices of Non-Compliance on February 26, 2021. Copies of the written plans are attached as **Exhibits “G”** and **“H”**.

43. AEP advised Mr. Pell that the plans were insufficient on March 10, 2021. Copies of AEP’s response are attached as **Exhibits “I”, “J”, “K”, and “L”**.

#### **Environmental Protection Orders and Enforcement Orders**

44. As a result of each of JMB’s and 216’s failure to submit a written plan in response to the Notices of Non-Compliance that was acceptable to AEP, they each became subject to enforcement action under the Act and the Regulation.

45. The following EPOs and EO were issued on the 216 Dispositions and JMB Dispositions:

<b><u>Disposition #</u></b>	<b><u>EPO / EO</u></b>	<b><u>Date / Status</u></b>	<b><u>Exhibit</u></b>
SML930040	EPO-EPEA-35659-08	March 19, 2021	<b>Exhibit “M”</b>
SML980116	EPO-EPEA-35659-09	March 19, 2021	<b>Exhibit “N”</b>
SML060060	EPO-EPEA-35659-07 EO-WA-35659-01	March 12, 2021 March 12, 2021	<b>Exhibit “O”</b> <b>Exhibit “P”</b>
TFA123579 SMC110019 SML120027	EPO-EPEA-35659-10	March 19, 2021	<b>Exhibit “Q”</b>

46. EO-WA-35659-01 directs, among other people, 216 and its current and former directors to, among other things:

- (a) immediately cease all unauthorized activities on the Lands, including any work on, in or around the Amisk Lake;
- (b) submit to the Director, for the Director’s approval, the name and qualifications of a Professional who is a member in good standing with a Professional Regulatory Organization, with experience in preparing a remedial plan and managing groundwater by March 19, 2021;
- (c) submit to the Director, the Director’s approval, a written remedial plan signed and stamped by the Professional by March 31, 2021;
- (d) implement the remedial plan as approved in writing by the Director in accordance with the schedule of implementation approved by the Director;



- (e) submit progress updates to the Director on July 15, 2021, November 15, 2021, May 15, 2022, and July 31, 2022 that include a detailed summary of all remedial activities undertaken pursuant to the EO; and
- (f) submit a final report prepared and signed by the approved professional describing the work undertaken to comply with the EO by October 30, 2022.

47. While each EPO is specific to the public land that it was issued for, each of the EPOs order JMB and 216 to take various steps, including, but not limited to:

- (a) immediately suspend any and all work at the Pit and shall not remove any stockpiled materials;
- (b) submit to the Inspector, for the Inspector's review and approval, a written reclamation and remedial plan;
- (c) submit a reclamation plan including, at minimum:
  - (i) particulars of the characteristics and properties of the land;
  - (ii) a historical synopsis of the surface, subsurface and groundwater disturbance;
  - (iii) a description of the adjacent land uses;
  - (iv) an accounting of the remaining marketable aggregate at the pit and its present value;
  - (v) a description of the reclamation work including the equipment, methods and materials to be used for plan implementation;
  - (vi) a description of the proposed reclaimed land use including elevations, soil replacement and re-vegetation;
  - (vii) a description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place;
  - (viii) a proposed schedule of implementation; and
  - (ix) a 6 month monitoring and maintenance program commencing on a specified date following the completion of the reclamation plan

(the "**Reclamation Steps**").

48. Each EPO specifies specific timelines for the completion of the Reclamation Steps (the “**Reclamation Timelines**”).

49. Both the EO and the EPOs set out affected parties’ statutory right of appeal to the EAB. Furthermore, both the EO and EPOs warn that failure to comply with the orders may result in further enforcement proceedings.

50. To date, 216 has not taken any steps to comply with the EO and neither JMB nor 216 have taken any steps to comply with the EPOs.

51. I understand that a Notice of Appeal of EO-WA-35659-01 was filed on behalf of 216, Byron Levkulich, and Aaron Patsch to the EAB. A copy of the letter the Notice of Appeal of the EO is attached as **Exhibit “R”**.

52. I do not believe that any of 216, JMB, Mr. Levkulich, or Mr. Patsch filed a Notice of Appeal with the respect to any of the EPOs issued under EPEA.

#### **Effect of the proposed Revised RVO**

53. I understand, from discussions with counsel for AEP, that JMB and 216 are seeking, among other things, a Revised SAVO and a Revised RVO.

54. I understand that the Revised RVO no longer contemplates assignments or transfers of the JMB or 216 Dispositions to Mantle, but includes an Environmental Reclamation Protocol that will operate outside of the current regulatory reclamation regime.

55. The Act, the EPEA, the *Water Act*, all as amended, and their associated regulations (collectively, the “**Regulatory Legislation**”) have an established regulatory regime which governs the environmental reclamation obligations of a disposition holder (the “**Regulatory Regime**”).

56. In particular, the Regulatory Regime ensures that a disposition holder’s reclamation obligations will continue to be fulfilled when the holder becomes subject to insolvency proceedings.

57. As noted above, the following outlines the key framework provided for in the Regulatory Legislation:

- (a) Under the Act and the Regulation, the issuance, assignment, cancellation, etc. of a disposition is in the discretion of the director;
- (b) Under the Act, the director may refuse to issue, mortgage, assign, transfer, sublet or renew a disposition if the applicant is: (a) indebted to the Crown; or (b) otherwise in non-compliance with the Act or the Regulation;

- (c) Section 21 of the Regulation sets out the duties of disposition holders and includes an obligation to reclaim the subject lands;
- (d) Included in the non-compliance consideration, the Director can assess whether the disposition holder is observing their reclamation obligations as set out in the Regulatory Legislation;
- (e) An affected party can dispute a decision by the Director regarding a disposition to the Public Lands Appeal Board;
- (f) EPEA imposes reclamation obligations with respect to surface material operations on public lands;
- (g) Inspectors can issue EPOs regarding conservation and reclamation;
- (h) In certain circumstances, the *Water Act* may also apply;
- (i) The director can issue EOs where there has been contravention of the legislation;
- (j) Both EPOs and EOs may be appealed to the EAB;
- (k) The EAB is a specialized tribunal with specific expertise in the area of environmental protection and reclamation; and
- (l) Where an affected party remains unsatisfied with the outcome of an appeal the Appeal, they are entitled to seek a judicial review of the EAB's decision.

58. The Revised RVO seeks to bind the AEP to a specific Environmental Reclamation Protocol (the “**Protocol**”). If implemented, the Protocol will have the effect of eliminating the director's discretion and will undermine the Regulatory Legislation that governs public land dispositions.

59. Additionally, the Revised RVO will create inequality and confusion within the regulatory system as, after emerging from the CCAA proceedings, JMB/216/Mantle/ResidualCo would be adhering to one court imposed set of rules, while all other disposition holders, including those in financial distress, would be observing the appropriate regulatory scheme.

60. Granting the Revised RVO in the form as requested will significantly encroach upon the AEP's role as regulator of public lands and contemplates the Plan Parties being able to circumvent the public lands regulatory regime by avoiding the Public Lands Appeal Board and/or the Environmental Appeal Board as applicable.

61. This has already been demonstrated by the decision made by 216, JMB, Levkulich, and Patsch filing a Notice of Appeal with respect to the single EO, but choosing not to file a Notice of Appeal with respect to the EPOs.

62. I understand, from my review of the proposed Revised RVO, that the Plan Parties, along with Levkulich and Patsch are seeking relief from the Court with respect to the EPOs and the EO.

63. AEP remains concerned that JMB and 216 will not take responsibility for its abandonment and reclamation obligations to AEP's satisfaction with respect to the dispositions prescribed by both the Regulatory Legislation.

64. AEP does not anticipate performing, and does not intend to perform, any abandonment or reclamation of the lands that are subject to the 216 and JMB Dispositions.

65. I make this Affidavit in opposition to the Plan Parties' application for the Revised RVO in the form proposed and, in particular, the imposition of the Environmental Reclamation Protocol.

SWORN BEFORE ME at the City of  
Edmonton, in the Province of Alberta,  
this 29<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
A Commissioner of Oaths in and for  
the Province of Alberta

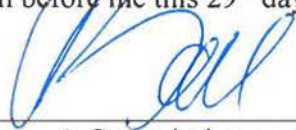
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\_\_\_\_\_  
**Heather Dent**

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

This is **Exhibit "A"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



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A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



Lands Division  
5<sup>th</sup> floor, South Petroleum Plaza  
9915 – 108 Street  
Edmonton, Alberta, T5K 2G8  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

File No: DML120032  
SME200009  
SML120027  
SML930040  
SML980116  
SML060060

November 16, 2020

Mr. Tom Cumming  
Gowling WLG  
1600, 421 7th Avenue SW  
Calgary, AB T2P 4K9  
[tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)

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

Dear Sir:

**Re: JMB Crushing Systems Inc. and 2161889 Alberta Ltd. – Outstanding Reclamation Obligations**

Alberta Environment and Parks (AEP) has recently conducted a file review of *Public Lands Act* dispositions issued to JMB Crushing Systems Inc. and 2161889 AB Ltd. Departmental records show the dispositions listed below are inactive, at various stages of development and have associated outstanding reclamation obligations. Section 21(1)(f) of the *Public Lands Administration Regulation* requires that the disposition holder reclaim the lands subject to the disposition to equivalent land capability on expiration.

JMB Crushing Systems Inc. must immediately take measures to complete all end of life obligations for the lands subject to the dispositions listed below:

- DML120032
- SME200009 (expired September 19, 2020)
- SML120027
- SML930040 (expired July 28, 2013)
- SML980116 (expired on February 15, 2009)

2161889 AB Ltd. must immediately take measures to complete all end of life obligations for the lands subject to SML060060.

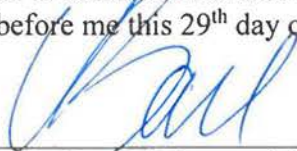
AEP expects a response no later than 4:30pm, **November 30, 2020**. If you have any questions regarding this matter, please contact Darrell Kentner at 780-778-7255.

Sincerely,

Darrell Kentner  
Approvals Manager

Cc: David Pochailo, Approvals Manager  
Joanne Sweeney, Aggregate Unit Team Lead  
Shelly Currie, Continuations Unit Team Lead  
Pantelis Kyriakakis, Associate [pkiriakakis@mccarthy.ca](mailto:pkiriakakis@mccarthy.ca)

This is **Exhibit "B"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



Lands Division  
 Land Policy and Programs Branch  
 Public Lands Disposition Management  
 Section  
 5<sup>th</sup> floor, South Petroleum Plaza  
 9915 – 108 Street NW  
 Edmonton, Alberta T5K 2G8  
 Fax: 780-422-2545  
[www.alberta.ca](http://www.alberta.ca)

File Nos. SML 110025, SML 110026  
 SML 110045, SML 110046  
 SML 110047, SML 120005  
 SML 120006, SML 120100  
 SML 080085, SML 100085

November 23, 2020

2161889 Alberta Ltd.  
 PO Box 6977  
 Bonnyville, Alberta T9N 2H4

**Attention: Tyler Pell**

Application to assign dated October 20, 2020  
 From: 2161889 Alberta Ltd. To: Mantle Materials Group, Ltd.  
 SML 110025, SML 110026, SML 110045, SML 110046, SML 110047,  
 SML 120005, SML 120006, SML 120100, SML 080085, SML 100085

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The department has received the request to assign the dispositions listed above.

**Outstanding Deficiencies in the Application**

However, before the department can proceed to make a decision on the application to assign these dispositions, the following is required:

1. An assignment fee in the amount of \$3,150.00.
2. A surface materials return for the period of January 1, 2020 to October 20, 2020 from 2161889 Alberta Ltd. and any royalty payment due for this period for the above SML's.
3. A replacement security deposit (Letter of Credit see attached) for each of the dispositions listed above that 2161889 Alberta Ltd. has applied to assign to Mantle Group Materials, Ltd. in the name of Mantle Group Materials, Ltd. Attached is a list of acceptable forms of security deposits for your information.
4. Payment in full of any outstanding balance payable to the department in the account for each disposition listed above. See attached.
5. The Lender must discharge all Conditional Surrender of Leases registered against the dispositions listed above.



- 2 -

6. The Assignment of Disposition-Industrial dated October 20, 2020 is incorrect as the assignee should be Mantle Materials Group, Ltd. Please send in a corrected copy.

Please forward these requirements no later than 30 days from the date of this letter.

### **Outstanding Regulatory Obligations to Reclaim**

2161889 Alberta Ltd. is also the holder of SML 060060, which is not part of this application to assign. In its November 16, 2020 letter, the Department notified you that 2161889 Alberta Ltd. has outstanding reclamation obligations as it relates to the public lands subject to SML 060060.

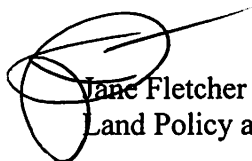
Section 21(1)(f) of the *Public Land Administration Regulation* (PLAR) requires 2161889 Alberta Ltd. as disposition holder, to reclaim the lands subject to SML 060060 to equivalent land capability, as defined in PLAR, on expiry.

### **Next Steps**

Once the application to assign is complete, the department will proceed to review the application in accordance with the department's normal process, the *Public Lands Act* and the PLAR. Pursuant to section 15.1 of *Public Lands Act*, the Department can refuse to assign a disposition if the applicant is in non-compliance with the Public lands Act. The department may consider any outstanding regulatory obligations of the applicant as part of the department's review.

If you have any questions regarding this matter, please contact myself at 780-415-4672, in Edmonton.

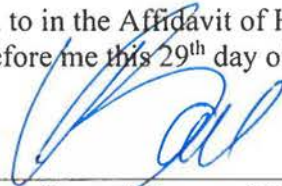
Sincerely,



Jane Fletcher  
Land Policy and Programs

cc: AEP Upper Athabasca Region, South District  
cc: Zafar B. Jaffer ([zafar.jaffer@gowlingwlg.com](mailto:zafar.jaffer@gowlingwlg.com))  
cc: Pantelis Kyriakakis ([pkiriakakis@mccarthy.ca](mailto:pkiriakakis@mccarthy.ca))  
cc: Tom Cumming ([tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com))  
cc: Tyler Pell ([tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca))

This is **Exhibit "C"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



**Lands Division**  
Land Policy and Programs Branch  
Public Lands Disposition Management  
Section  
5<sup>th</sup> floor, South Petroleum Plaza  
9915 – 108 Street NW  
Edmonton, Alberta T5K 2G8  
Fax: 780-422-2545  
[www.alberta.ca](http://www.alberta.ca)

File Nos. SML 110025, SML 110026  
SML 110045, SML 110046  
SML 110047, SML 120005  
SML 120006, SML 120100  
SML 080085, SML 100085  
SML 120027, SML 060060  
SML 980116

March 12, 2021

2161889 Alberta Ltd.  
PO Box 6977  
Bonnyville, Alberta T9N 2H4

**Attention: Tyler Pell**

VIA EMAIL: [tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca)

**Response Required Re: Application to assign dated October 20, 2020**

From: 2161889 Alberta Ltd. To: Mantle Materials Group, Ltd:  
SML 110025, SML 110026, SML 110045, SML 110046, SML 110047,  
SML 120005, SML 120006, SML 120100, SML 080085, SML 100085,  
From: JMB Crushing Systems Inc. to 2161889 Alberta Ltd:  
SML 120027 (and DML 120032)

---

To date the department has received no response to the letter dated November 23, 2020 (letter attached), regarding the application to assign the above noted dispositions from 2161889 Alberta Ltd. to Mantle Materials Group Ltd.

Brenda Huxley provided assignment information for SML 120027 on November 2, 2020 (email and information attached). To date, the department has received no response to the proposed assignment from JMB Crushing Systems Inc. to 2161889 Alberta Ltd.

SML 060060 and SML 980116 have reclamation obligations that you were advised about. To date the department has received no response to your intentions for these dispositions.

Please forward the required items within 60 days from the date of this letter.

- 2 -

If you have any further questions regarding this matter, you may also contact Jane Fletcher at 780-415-4672.

Sincerely,

Land Policy and Programs

cc: AEP Upper Athabasca Region, South District  
cc: Zafar B. Jaffer ([zafar.jaffer@gowlingwlg.com](mailto:zafar.jaffer@gowlingwlg.com))  
cc: Pantelis Kyriakakis ([psyriakakis@mccarthy.ca](mailto:psyriakakis@mccarthy.ca))  
cc: Tom Cumming ([tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com))



Lands Division  
Land Policy and Programs Branch  
Public Lands Disposition Management  
Section  
5<sup>th</sup> floor, South Petroleum Plaza  
9915 – 108 Street NW  
Edmonton, Alberta T5K 2G8  
Fax: 780-422-2545  
[www.alberta.ca](http://www.alberta.ca)

File Nos. SML 110025, SML 110026  
SML 110045, SML 110046  
SML 110047, SML 120005  
SML 120006, SML 120100  
SML 080085, SML 100085

November 23, 2020

2161889 Alberta Ltd.  
PO Box 6977  
Bonnyville, Alberta T9N 2H4

**Attention: Tyler Pell**

Application to assign dated October 20, 2020  
From: 2161889 Alberta Ltd. To: Mantle Materials Group, Ltd.  
SML 110025, SML 110026, SML 110045, SML 110046, SML 110047,  
SML 120005, SML 120006, SML 120100, SML 080085, SML 100085

---

The department has received the request to assign the dispositions listed above.

#### **Outstanding Deficiencies in the Application**

However, before the department can proceed to make a decision on the application to assign these dispositions, the following is required:

1. An assignment fee in the amount of \$3,150.00.
2. A surface materials return for the period of January 1, 2020 to October 20, 2020 from 2161889 Alberta Ltd. and any royalty payment due for this period for the above SML's.
3. A replacement security deposit (Letter of Credit see attached) for each of the dispositions listed above that 2161889 Alberta Ltd. has applied to assign to Mantle Group Materials, Ltd. in the name of Mantle Group Materials, Ltd. Attached is a list of acceptable forms of security deposits for your information.
4. Payment in full of any outstanding balance payable to the department in the account for each disposition listed above. See attached.
5. The Lender must discharge all Conditional Surrender of Leases registered against the dispositions listed above.

- 2 -

6. The Assignment of Disposition-Industrial dated October 20, 2020 is incorrect as the assignee should be Mantle Materials Group, Ltd. Please send in a corrected copy.

Please forward these requirements no later than 30 days from the date of this letter.

### **Outstanding Regulatory Obligations to Reclaim**

2161889 Alberta Ltd. is also the holder of SML 060060, which is not part of this application to assign. In its November 16, 2020 letter, the Department notified you that 2161889 Alberta Ltd. has outstanding reclamation obligations as it relates to the public lands subject to SML 060060.

Section 21(1)(f) of the *Public Land Administration Regulation* (PLAR) requires 2161889 Alberta Ltd. as disposition holder, to reclaim the lands subject to SML 060060 to equivalent land capability, as defined in PLAR, on expiry.

### **Next Steps**

Once the application to assign is complete, the department will proceed to review the application in accordance with the department's normal process, the *Public Lands Act* and the PLAR. Pursuant to section 15.1 of *Public Lands Act*, the Department can refuse to assign a disposition if the applicant is in non-compliance with the Public lands Act. The department may consider any outstanding regulatory obligations of the applicant as part of the department's review.

If you have any questions regarding this matter, please contact myself at 780-415-4672, in Edmonton.

Sincerely,



Jane Fletcher  
Land Policy and Programs

cc: AEP Upper Athabasca Region, South District  
cc: Zafar B. Jaffer ([zafar.jaffer@gowlingwlg.com](mailto:zafar.jaffer@gowlingwlg.com))  
cc: Pantelis Kyriakakis ([pkyriakakis@mccarthy.ca](mailto:pkyriakakis@mccarthy.ca))  
cc: Tom Cumming ([tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com))  
cc: Tyler Pell ([tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca))

**Jane Dadson**

---

**From:** Brenda Huxley  
**Sent:** Friday, March 12, 2021 11:20 AM  
**To:** Jane Dadson  
**Subject:** FW: JMB Assignment SML 120027  
**Attachments:** returns.doc; assign letter.doc

Classification: Protected A

---

**From:** Brenda Huxley  
**Sent:** Monday, November 02, 2020 2:14 PM  
**To:** Zafar.Jaffer@gowlingwlg.com  
**Subject:** JMB Assignment SML 120027

Zafar

I have attached an information letter for what is all required for the assignment of SML 120027.  
The security deposit held for SML 120027 is \$2,960.00 in the form of cash. Rental of \$36.75 is due by Jan. 13, 2021.

Please breakdown on your cheque the amounts owing on each disposition and what it is for as well as the assignment fee. This will help to get the monies in the right place in our system.

Brenda Huxley  
Legal Administrator  
Disposition Management Services  
Lands Policy and Programs Branch  
Environment and Parks  
Aggregate Unit  
5<sup>th</sup> floor 9915-108 ST  
South Petroleum Plaza  
Edmonton, Alberta T5K 2G8  
780 415-4664  
Brenda.huxley@gov.ab.ca

Classification: Protected A

**RE: Assignment Requirements for Surface Materials Lease (SML)**

---

In response to your inquiry, the following are the general requirements necessary to register an assignment of a Surface Materials Lease.

**1. The Assignment Document must:**

- Be original
- Be unconditional
- Show the consideration
- Be executed (seal or affidavit)
- Contain the assignee address and phone number (if the assignee is a company, it must be registered with the Corporate Registry, Alberta Government Services).

**2. Monetary Requirements:**

- a) **Assignment Fee:\$3,150.00**
- b) **Written verification from the taxing authority that all taxes with respect to the**  
**ite have been paid.**
- c) **Lease Account:**
  - The balance in the account must be current.
- d) **Security Deposit: \$2,960.00.**
  - If the current security deposit is cash, the assignor may choose to provide confirmation that the existing security deposit may be transferred to the assignee. If this not desirable, or if the security deposit is a form other than cash, the assignee must replace the security deposit.

**3. Additional Requirements:**

- The assignor must hold the interest in the lease.
- The lease must not be expired.
- Access to the lease must be indicated and included in the assignment if applicable
- A surface materials return (Form LM 17A) from the date of the last return to the date of the assignment must be submitted and royalties paid on any material moved in that period. **January 1, 2020 to October 28, 2020**
- Any encumbrances registered against the lease must be discharged prior to the disposition being assigned. **CSL 200011**



- 2 -

The department has a standard assignment form which may be used. An assignment is not registered until the department provides confirmation of registration.


If you have any questions regarding this matter, please contact Brenda Huxley at (780) 415-4664, in Edmonton.

Sincerely,

Brenda Huxley  
Disposition Services Section

/

This is **Exhibit "D"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

---

**From:** Nathan Polturak  
**Sent:** Tuesday, February 23, 2021 9:09 AM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; josh.inglett@rlholdings.com; tom.cumming@gowlingwlg.com  
**Subject:** JMB Crushing Systems Notice of Non-Compliance  
**Attachments:** JMB Crushing Systems - Letter of Non-Compliance.pdf

Good morning Tyler,

Please see the attached letter for your **attention and response by February 26, 2021**. I am open communications to discuss the attached at your convenience. AEP requests that you acknowledge receipt of this letter once you have opened the letter.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A



**Regulatory Assurance Division**  
 North District  
 2<sup>nd</sup> Flr Provincial Building  
 9503 Beaver Hill Road  
 Lac La Biche, Alberta T0A 2C0  
 Phone: (780) 623-5240  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

Inv. No. 35659

February 23, 2021

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

<b>SML 930040</b>	08-23-061-07-W4M	Expired
<b>SML 980116</b>	SW-21-063-12-W4M	Expired
<b>SML 120027</b>	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](mailto:nathan.polturak@gov.ab.ca).

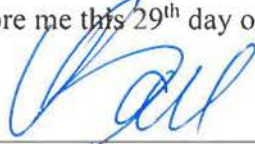
Respectfully,



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 "E"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

---

**From:** Nathan Polturak  
**Sent:** Tuesday, February 23, 2021 9:09 AM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; josh.inglett@rlholdings.com; tom.cumming@gowlingwlg.com  
**Subject:** 2161889 Alberta Ltd. Notice of Non-Compliance  
**Attachments:** 2161889 Alberta Ltd. - Letter of Non-Compliance.pdf

Good morning Tyler,

Please see the attached letter for your **attention and response by February 26, 2021**. I am open communications to discuss the attached at your convenience. AEP requests that you acknowledge receipt of this letter once you have opened the letter.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A





**Regulatory Assurance Division**  
North District  
2<sup>nd</sup> Flr Provincial Building  
9503 Beaver Hill Road  
Lac La Biche, Alberta T0A 2C0  
Phone: (780) 623-5240  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

Inv. No. 35659

February 23, 2021

2161889 Alberta Ltd.  
PO Box 6977  
Bonnyville, AB T9N 2H4  
Via Email: [tylerpell@jmbcrush.com](mailto: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](mailto:nathan.polturak@gov.ab.ca).

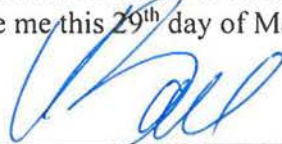
Respectfully,



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 "F"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
Barrister & Solicitor  
Alberta Justice and Solicitor General

---

**From:** Tyler Pell <tylerpell@jmbcrush.com>  
**Sent:** Friday, February 26, 2021 10:23 AM  
**To:** Nathan Polturak  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; Josh Inglett; tom.cumming@gowlingwlg.com  
**Subject:** RE: 2161889 Alberta Ltd. Notice of Non-Compliance  
**Attachments:** 2161889 Public Pits - Written Plan to Resolve Non-Compliances 20210226.pdf

**CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.**

Hi Nathan

See attached 2161889 Albert Ltd.'s response to your February 23, 2021 letter.

Regards,

Tyler Pell  
1.780.815.0139

---

**From:** Nathan Polturak <Nathan.Polturak@gov.ab.ca>  
**Sent:** February 23, 2021 09:09  
**To:** Tyler Pell <tylerpell@jmbcrush.com>  
**Cc:** Neil Brad <neil.brad@gov.ab.ca>; Heather Dent <Heather.Dent@gov.ab.ca>; Maxwell Harrison <maxwell.harrison@gov.ab.ca>; byron.levkulich@rlholdings.com; Josh Inglett <josh.inglett@RLHoldings.com>; tom.cumming@gowlingwlg.com  
**Subject:** 2161889 Alberta Ltd. Notice of Non-Compliance

Good morning Tyler,

Please see the attached letter for your **attention and response by February 26, 2021**. I am open communications to discuss the attached at your convenience. AEP requests that you acknowledge receipt of this letter once you have opened the letter.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

---

**From:** Tyler Pell <tylerpell@jmbcrush.com>  
**Sent:** Friday, February 26, 2021 10:23 AM  
**To:** Nathan Polturak  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; Josh Inglett; tom.cumming@gowlingwlg.com  
**Subject:** RE: JMB Crushing Systems Notice of Non-Compliance  
**Attachments:** JMB Public Pits - Written Plan to Resolve Non-Compliances 20210226.pdf

**CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.**

Hi Nathan

See attached JMB Crushing System Inc.'s response to your February 23, 2021 letter.

Regards,

Tyler Pell  
1.780.815.0139

---

**From:** Nathan Polturak <Nathan.Polturak@gov.ab.ca>  
**Sent:** February 23, 2021 09:09  
**To:** Tyler Pell <tylerpell@jmbcrush.com>  
**Cc:** Neil Brad <neil.brad@gov.ab.ca>; Heather Dent <Heather.Dent@gov.ab.ca>; Maxwell Harrison <maxwell.harrison@gov.ab.ca>; byron.levkulich@rlholdings.com; Josh Inglett <josh.inglett@RLHoldings.com>; tom.cumming@gowlingwlg.com  
**Subject:** JMB Crushing Systems Notice of Non-Compliance

Good morning Tyler,

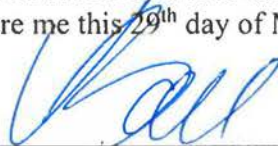
Please see the attached letter for your **attention and response by February 26, 2021**. I am open communications to discuss the attached at your convenience. AEP requests that you acknowledge receipt of this letter once you have opened the letter.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

This is **Exhibit "G"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

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

---

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 930040, SML 980116, SML 120027**

This letter is submitted by JMB Crushing Systems Inc. (“JMB”) 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



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

---

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 Conservation and Reclamation Business Plan (CRBP) 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.

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

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## Written Plan Information

### SML 930040

#### Assessment of Pit

- Disposition area is 0.87 ha.
- Disturbed area is 0.45 ha.
- Disturbed area has no topsoil.
- Site assessment Oct 2020 showed a possible stockpile of salvaged soils in the north portion of the SML.
- JMB has been contacted by Randy Batke of Bonnyville as an interested party to take over the SML as a source of sand for rodeo grounds.

#### Plan to bring pit into compliance

- Green up assessment of stockpile quality and quantity to determine viability for final reclamation.
- Assignment of SML to interested 3<sup>rd</sup> party.

#### Timeline

- Green up assessment - 2021.
- Assignment - 2021

#### Scheduling factors

- Closing date of CCAA court proceedings.
- Consultation with AEP and Randy on options for assigning the SML to Randy.

### SML 980116

#### Assessment of Pit

- Disposition is 5.85 ha and is overlapped by LOC 890970.
- 3.3 ha has been disturbed and revegetated.
- Cows from GRL36298 have been entering and using the SML on a very regular basis.
- Gate installed on access road entering from highway.
- SML is fenced along the highway right-of-way boundary.

JMB Crushing Systems Inc.  
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- A small stockpile along the treed boundary in the NW portion of the disturbed area of the SML needs confirmation of its composition. The pile is revegetated.

Plan to bring pit into compliance

- Since the site is used by the adjacent GRL holder for grazing his cows, JMB is proposing the SML be added to the area of GRL 36298 as is.
- Once the stockpile is confirmed of its composition, move to location along the LOC that is accessible for final reclamation of the LOC.

Timeline

- Finalize pile – May 15, 2021
- Convert to GRL and move pile - 2021

Scheduling factors

- Consultation time with AEP.
- Closing date of CCAA court proceedings.

SML 120027

Assessment of Pit

- Pit is 99% reclaimed and revegetated.
- EZE was constructed before SML was disturbed. It is believed that there has been no measurable effect on the EZE from the development and operations of the SML.

Plan to bring pit into compliance

- JMB believes the pit is in compliance.
- Green up site assessment as regular post reclamation follow up.

Timeline

- Green up 2021.

Scheduling factors

- Green up conditions in 2021.

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

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Immediate plans to operate the pit

- The pit is exhausted and 99% of reclamation is completed. There are no plans to operate the pit for production.

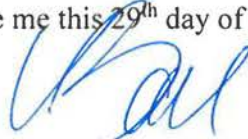
If you have any questions please contact the undersigned.

Regards,



Tyler Pell  
Aggregates Resource Manager  
JMB Crushing Systems Inc.  
[tylerpell@jmbcrushing.com](mailto:tylerpell@jmbcrushing.com)  
1.780.815.0139

This is **Exhibit "H"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

2161889 Alberta Ltd  
P.O. Box 6977  
Bonnyville, AB T9N 2H4

---

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

2161889 Alberta Ltd  
P.O. Box 6977  
Bonnyville, AB T9N 2H4

---

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.

2161889 Alberta Ltd  
P.O. Box 6977  
Bonnyville, AB T9N 2H4

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## 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 of 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.



2161889 Alberta Ltd  
P.O. Box 6977  
Bonnyville, AB T9N 2H4

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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 1<sup>st</sup>, 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

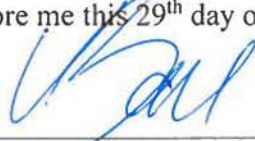
Aggregates Resource Manager

JMB Crushing Systems Inc.

[tylerpell@jmbcrushing.com](mailto:tylerpell@jmbcrushing.com)

1.780.815.0139

This is **Exhibit "I"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

---

**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:47 PM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett  
**Subject:** AEP Response - Written Plan to Resolve Non-Compliance - SML 060060

Hello Mr. Pell,

Thank you for providing the requested response. 2161889 Alberta Ltd.'s proposed plans contain conditional timelines and outcomes that do not provide the defined, timely, and achievable commitments that AEP requires to be satisfied that the non-compliances will be resolved.

At this time, AEP will have to proceed with alternative regulatory tools in order to ensure these requirements are addressed.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

This is **Exhibit "J"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

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**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:47 PM  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett  
**Subject:** AEP Response - Written Plan to Resolve Non-Compliance - SML 930040

Hello Mr. Pell,

Thank you for providing the requested response. JMB Crushing System Ltd.'s proposed plans contain conditional timelines and outcomes that do not provide the defined, timely, and achievable commitments that AEP requires to be satisfied that the non-compliances will be resolved.

At this time, AEP will have to proceed with alternative regulatory tools in order to ensure these requirements are addressed.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

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**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:51 PM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett  
**Subject:** FW: AEP Response - Written Plan to Resolve Non-Compliance - SML 930040

With apologies Mr. Pell. Please see the message below.

**Nathan Polturak, P.Biol.**

Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

---

**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:47 PM  
**Cc:** Neil Brad (neil.brad@gov.ab.ca) <neil.brad@gov.ab.ca>; Heather Dent <Heather.Dent@gov.ab.ca>; Maxwell Harrison <maxwell.harrison@gov.ab.ca>; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett <josh.inglett@RLHoldings.com>  
**Subject:** AEP Response - Written Plan to Resolve Non-Compliance - SML 930040

Hello Mr. Pell,

Thank you for providing the requested response. JMB Crushing System Ltd.'s proposed plans contain conditional timelines and outcomes that do not provide the defined, timely, and achievable commitments that AEP requires to be satisfied that the non-compliances will be resolved.

At this time, AEP will have to proceed with alternative regulatory tools in order to ensure these requirements are addressed.

Regards,

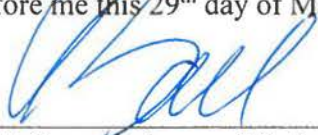
**Nathan Polturak, P.Biol.**

Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building

9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

This is **Exhibit "K"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



---

**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:47 PM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett  
**Subject:** AEP Response - Written Plan to Resolve Non-Compliance - SML 980116

Hello Mr. Pell,

Thank you for providing the requested response. JMB Crushing System Ltd.'s proposed plans contain conditional timelines and outcomes that do not provide the defined, timely, and achievable commitments that AEP requires to be satisfied that the non-compliances will be resolved.

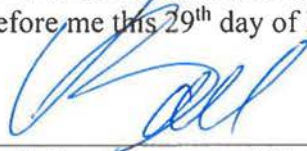
At this time, AEP will have to proceed with alternative regulatory tools in order to ensure these requirements are addressed.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

This is **Exhibit "L"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

---

**From:** Nathan Polturak  
**Sent:** Wednesday, March 10, 2021 4:47 PM  
**To:** Tyler Pell  
**Cc:** Neil Brad; Heather Dent; Maxwell Harrison; byron.levkulich@rlholdings.com; tom.cumming@gowlingwlg.com; Josh Inglett  
**Subject:** AEP Response - Written Plan to Resolve Non-Compliance - SML 120027

Hello Mr. Pell,

Thank you for providing the requested response. JMB Crushing System Ltd.'s proposed plans contain conditional timelines and outcomes that do not provide the defined, timely, and achievable commitments that AEP requires to be satisfied that the non-compliances will be resolved.

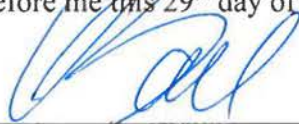
At this time, AEP will have to proceed with alternative regulatory tools in order to ensure these requirements are addressed.

Regards,

**Nathan Polturak, P.Biol.**  
Environmental Protection Officer  
Regulatory Assurance Division – North District  
Alberta Environment and Parks  
2<sup>nd</sup> Floor, Provincial Building  
9503 Beaverhill Road, Lac La Biche, AB T0A 2C0  
Phone 780-623-5483 / Fax 780-623-4584  
[nathan.polturak@gov.ab.ca](mailto:nathan.polturak@gov.ab.ca)

Classification: Protected A

This is **Exhibit "M"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-08**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

George Shandro  
Box 7556  
Bonnyville, AB  
T9N 2H8

[Collectively, the "Parties"]

WHEREAS JMB Crushing Systems Inc. ["JMB"; the "Operator"] has operated a gravel pit [the "Pit"] on a portion of public land legally described as 08-23-061-07-W4M [the "Lands"] in the Municipal District of Bonnyville, in the Province of Alberta;

WHEREAS the Pit is approximately XXXX hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS the *Environmental Protection and Enhancement Act* (“EPEA”) section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS Byron Levkulich, Aaron Patsch are Directors for JMB and Jeffrey Buck is a former Director of JMB;

WHEREAS George Shandro was issued surface material lease [“SML 930040”] on July 29, 1993;

WHEREAS the disposition agreement for SML 930040 currently in force dates to January 14, 2004;

WHEREAS JMB [the “Operator”] was assigned SML 930040 on December 15, 2008;

WHEREAS the last documented activity at the pit was recorded in an annual return for the period ending July 28, 2010;

WHEREAS on January 29, 2013 an Alberta Environmental and Parks [“AEP”] Public Lands Officer [“PLO”] inspected the Lands and observed:

- The Pit was heavily recreated by all-terrain vehicles;
- The Pit is basically a big hole;
- Due to relatively small size of the SML and large size of the Pit there is little opportunity to continue operations; and
- The field recommended the SML not be renewed and the Operator seek reclamation in accordance with the field officer;

WHEREAS on July 28, 2013 SML 930040 expired;

WHEREAS on October 17, 2016 an AEP PLO inspected the Lands and noted the Pit appeared to be a depression in the snow with some vegetation growth;

WHEREAS on March 17, 2017 AEP issued JMB a letter cancelling SML 930040;

WHEREAS on May 1, 2020 JMB entered into proceedings under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36;

WHEREAS on May 28, 2020 an AEP Environmental Protection Officer [“EPO”] completed an inspection of the Lands and found:

- An open pit impacted by ATV use; and
- Garbage located around the site.

WHEREAS on December 18, 2020 the AEP EPO completed an inspection of the Lands and found:

- There was no recent activity at the pit;
- The pit is approximately 3.5 m deep; and
- Small hillocks of an undetermined material were present on the north and west edges of the pit.

WHEREAS on February 23, 2021 the EPO spoke with Tyler Pell of JMB who stated:

- JMB visited the pit in October 2020;

- JMB observed rooting and grass growing from the soil piles north of the pit; and
- JMB will need to assess if there is enough material to cover the outstanding reclamation area.

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of *Environmental Protection and Enhancement Act* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS the surface land disturbance in the Pit is “specified lands” as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS Clause 12 of the Indenture to SML 930040 commits the Operator to delivering the Lands to the Minister in a satisfactory condition upon cancellation of the lease;

WHEREAS Clause 13 of the Indenture to SML 930040 commits the Operator to reclaiming the surface of the land in a manner satisfactory to the Minister;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the “Inspector”), has been designated as an Inspector for the purpose of issuing Environmental Protection Orders under section 140 of the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that directing the performance of work is necessary in order to conserve and reclaim specified land;

THEREFORE, I, Nathan Polturak, Inspector, North Region pursuant to Section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER THAT:

1. The Parties shall not remove any saleable aggregate materials from SML 930040;
2. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan (“Plan”).
4. The Parties shall at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of any surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and

its value.

- e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



Nathan Polturak  
Inspector  
Environmental Protection Officer  
North Region

**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:**



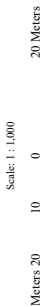
**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.**

**Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.**

## APPENDIX A

# SML 930040



- One Lane Gravel Road
- Truck Trail
- Powerline
- SML930040
- Trespass on public land (0.02 ha)
- Pit (0.38 ha)



Coordinates: NAD 83 UTM Zone 18N  
Produced by Northern Geospatial Unit  
Created by: rhonda.somers on 31/08/2021  
Base Data provided by the Government of Alberta  
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Information as depicted is subject to change.  
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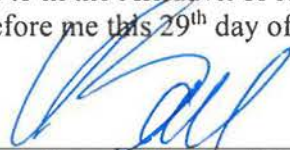


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Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Imagery, Copyright ©2020, Airbus DS, Licensed by Planet Labs Geomatics Corp., www.planet.com / Image Service, Provincial Geospatial Centre, Strategy and Governance Division, Environment and Parks, Government of Alberta

This is **Exhibit "N"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-09**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

[Collectively, the "Parties"]

WHEREAS JMB Crushing Systems Inc. ["JMB"; the "Operator"] has operated a gravel pit [the "Pit"] on a portion of public land legally described as SW-21-063-12-W4M [the "Lands"] in Lac La Biche County, in the Province of Alberta;

WHEREAS the Pit is approximately 5.850 hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS the *Environmental Protection and Enhancement Act* ("EPEA") section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and

gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 980116 ("SML 980116") that is a disposition issued to JMB under the *Public Lands Act* on February 16, 1999;

WHEREAS Byron Levkulich, Aaron Patsch are Directors for JMB and Jeffrey Buck is a former Director of JMB;

WHEREAS the disposition agreement for SML 980116 currently in force dates to February 16, 1999;

WHEREAS on October 25, 1999 Alberta Environment and Parks ("AEP") approved the Conservation and Reclamation Plan ("CORP") for SML 980116;

WHEREAS on May 16, 2008 an Alberta Environment and Parks ("AEP") Public Lands Officer ["PLO"] inspected the Lands. Inspection notes record:

- The client does not need the pit anymore as gravel removal is complete;
- Reclamation is to be done that year;
- The Pit should be renewed for a short time to allow reclamation;
- Department is to send a letter outlining reclamation timeline and to request an increase the security deposit to ensure compliance; and
- Outstanding work includes brush disposal, levelling and back sloping, and vegetation establishment;

WHEREAS on February 15, 2009 SML 980116 expired;

WHEREAS on September 4, 2015 an AEP PLO inspected the Lands. Inspection notes record:

- Renewal not recommended, no indication the gravel pit is still in operation;
- Cattle currently grazing the site;
- Top soil piles are present;
- Invasive plants on site (Canada thistle) in concentrated areas by the top soil piles and along the access; and
- Reclamation remains outstanding;

WHEREAS on September 16, 2015 the PLO sent a letter to JMB requiring them to distribute the remaining topsoil pile be distributed evenly over the Pit;

WHEREAS on May 1, 2020 JMB entered into proceedings under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36;

WHEREAS on December 18, 2020 the AEP EPO completed an inspection of the Lands and found:

- Access was barred by a locked gate. Access appeared shared with a CNRL installation;
- Cattle were present on the Lands;
- Good revegetation observed through sparse snow around the site including grasses, forbs,

trees, and shrubs; and

- A stockpile observed against the treeline on the northwest side. The stockpile was covered with grasses. Material was not determined due to the cattle present.

WHEREAS on February 23, 2021 the EPO spoke with Tyler PELL of JMB who stated:

- JMB's staff and consultants visited the pit December 11, 2020;
- JMB cannot comment on the nature of the stockpile;
- The Lands looked highly used by the cattle. There is no record of allowing grazing and he is concerned about the impact of cattle trails and use on reclamation;
- Thistle was present, but he wondered if this is due to cattle;
- There is a wet area off the access road, west of the line of spruce in the middle of the SML. Appeared to attract cattle; and
- They will need to assess if there is enough material to cover the outstanding reclamation area.

WHEREAS on March 15, 2021 the EPO identified that the access through the Pit was issued under an LOC in 1989;

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of the *Environmental Protection and Enhancement Act* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS the surface land disturbance in the Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS Clause 12 of the Indenture to SML 980116 commits the Operator to delivering the Lands to the Minister in a satisfactory condition upon cancellation of the lease [sic];

WHEREAS Clause 13 of the Indenture to SML 980116 commits the Operator to reclaiming the surface of the land in a manner satisfactory to the Minister;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the "Inspector"), has been designated as an Inspector for the purpose of issuing Environmental Protection Orders under section 140 of the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that directing the performance of work is necessary in order to conserve and reclaim specified land;

THEREFORE, I, Nathan Polturak, Inspector, North Region pursuant to Section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER THAT:

1. The Parties shall not remove any stockpiled materials.
2. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall



submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



---

Nathan Polturak  
Inspector,  
Environmental Protection Officer  
North Region

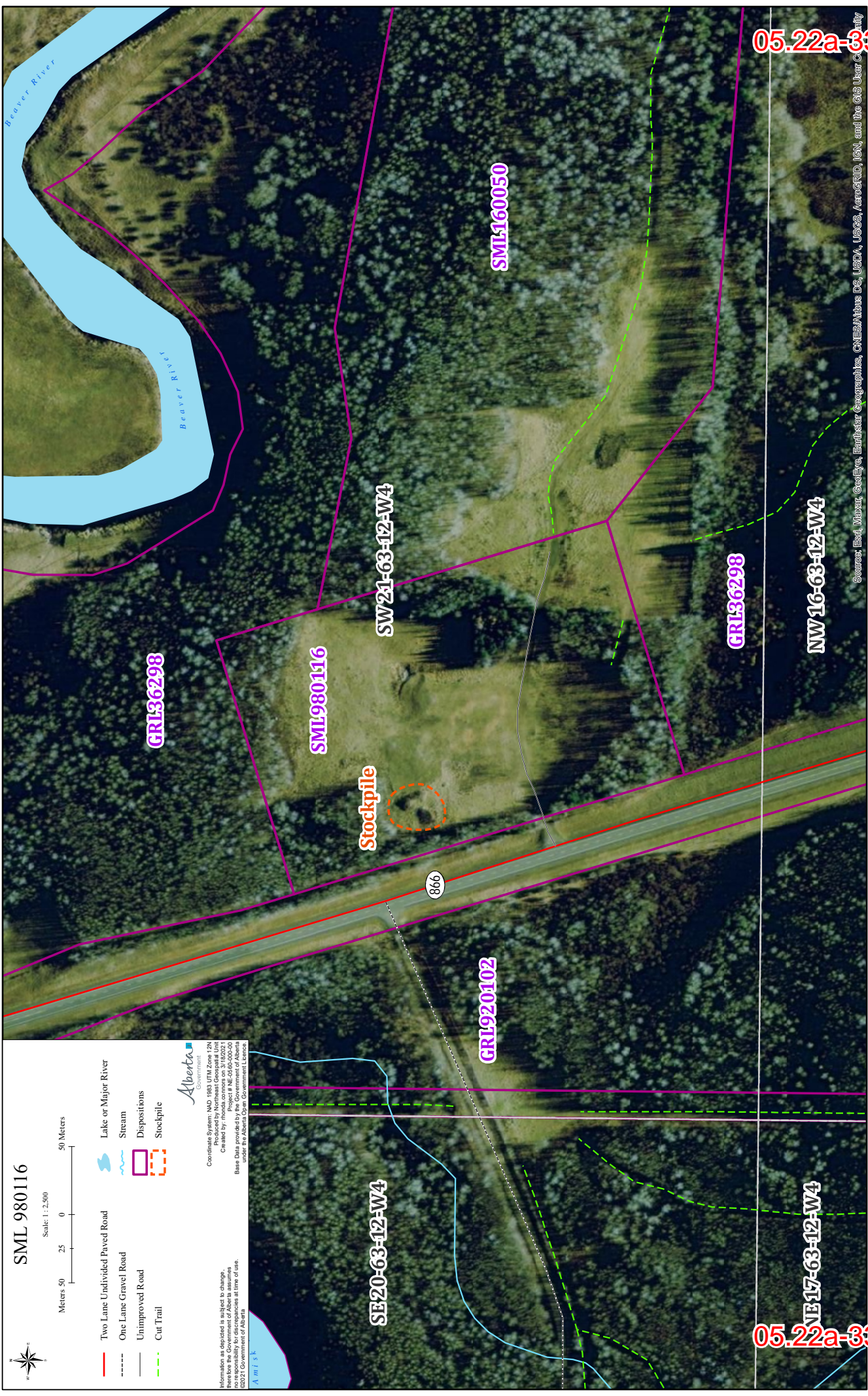
**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.**

**Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.**

## APPENDIX A



**SML 980116**

Scale: 1:2,500

Meters 50 25 0 50 Meters

- Two Lane Undivided Paved Road
- One Lane Gravel Road
- Unimproved Road
- Cut Trail
- Lake or Major River
- Stream
- Dispositions
- Stockpile

Government of Alberta  
 Coordinates System: NAD 83 (UTM Zone 18N)  
 Produced by: Northern Geospatial Unit  
 Created by: Tommaso Amos on 31/08/2021  
 No responsibility for discrepancies at time of use.  
 Base Data provided by the Government of Alberta  
 under the Alberta Open Government Licence

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Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

This is **Exhibit "O"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

2161889 Alberta Ltd.  
P.O. Box 6977  
Bonnyville, AB  
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Lisa Ball, former Director of 2161889 Alberta Ltd.  
2161889 Alberta Ltd.  
PO Box 211  
Boyle, AB  
T0A 0M0

541466 Alberta Ltd.  
2300, 10180 – 101 St NW  
Edmonton, AB  
T5J 1V3

Robert W. Beaverford  
52547 RR 223  
Sherwood Park, AB  
T8A 4P7

[Collectively, the "Parties"]

WHEREAS 2161889 Alberta Ltd. (“216”) has operated a gravel pit (the “Pit”) in 2019 and 2020 on a portion of public land legally described as SW-13-065-18-W4M [the “Lands”] in Athabasca County, in the Province of Alberta;

WHEREAS the Pit covers approximately 11.271 hectares on the Lands and the approximate boundaries of the Pit are shown on the map in Appendix A to this Order;

WHEREAS the *Environmental Protection and Enhancement Act* (“EPEA”) section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 060060 (“SML 060060”) that is a disposition issued to 216 under the *Public Lands Act* as a result of an assignment on March 15, 2019. SML 060060 expires on May 28, 2024;

WHEREAS Byron Levkulich, Aaron Patsch, Jeffrey Buck, and Lisa Ball are former Directors for 216;

WHEREAS Robert W. Beaverford held SML 060060 between June 27, 2008 and March 15, 2019;

WHEREAS 541466 Alberta Ltd. (“541”) operated the Pit between May 2017 and March 15, 2019;

WHEREAS Lisa Ball has been a Director for 541 from November 1999 to March 10, 2021 (present);

WHEREAS Clause 6 of Schedule A to SML 060060 – “Operating Conditions to the Agreement” requires the holder to reclaim any land disturbed in accordance with the approved Conservation and Reclamation Business Plan (CRBP). CRBP dated: May 28, 2014;

WHEREAS on May 28, 2014, Alberta Environment and Parks (“AEP”) approved the Conservation and Reclamation Business Plan Approval for SML060060 (“CRBP”);

WHEREAS on May 10, 2017 an Alberta Environment and Parks (“AEP”) Public Lands Officer [“PLO”] inspected the Lands and observed the Lands had been recently logged but not yet been disturbed by mining activities;

WHEREAS on January 22, 2019 Robert Beaverford filed an annual return documenting the removal of 174,965.19 cubic yards of material from SML 060060 during the 2018 operating year;

WHEREAS on March 26, 2019 the Director issued an administrative penalty to 541466 Alberta Ltd. and Robert Beaverford for:

- Entering public land without authorization;
- Cleared public land without authority;
- Causing loss and damage with rutting and vegetation removal by heavy equipment;

- Contravened the terms of the lease by operating during a timing restriction; and
- Caused loss and damage to public land with root removal and vegetation piling and the removal of topsoil, which are all contraventions of the *Public Lands Act* or the SML

WHEREAS on May 1, 2020, 216 entered into proceedings under the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C-36;

WHEREAS Clause 13 of Schedule A to SML 060060 – “Operating Conditions to the Agreement” requires the holder to leave a buffer zone of undisturbed vegetation a minimum width of 100 m between the Lands and all waterbodies and courses;

WHEREAS on October 7, 2020 the AEP PLO inspected the Lands and observed:

- Pit operations had not followed pit development sequencing as required by the CRBP;
- Drainage patterns in the south of the Pit do not match details shown in the CRBP;
- The 3 m vegetation buffer was not in place around the perimeter of the Pit (refer to Appendix A);
- Erosion washing to the adjacent vegetation resulting in trespass of public land (“trespass” on map in Appendix A);
- Rills and gullies formed along southern boundary of the Lands (refer to Appendix A);
- Noxious weeds were present throughout the south of the Pit;
- An end pit lake had formed in the Pit (refer to Appendix A);
- Subsoil and aggregate stockpiles were located on the edges of the end pit lake;
- Stockpiles of topsoil interspersed with stockpiles of non-processed aggregate and subsoil in the Pit; and
- A watercourse that was not identified on the CRBP (refer to “draw” in Appendix A);

WHEREAS Clause 28 of SML 060060 requires the holder to strip and pile topsoil separately from any woody material and subsoil;

WHEREAS Clause 33 of SML 060060 requires the holder to take all precautions and safeguards necessary to prevent soil and surface erosion to the satisfaction of the Department in its sole discretion;

WHEREAS on January 31, 2020 216 filed an annual return documenting the removal of 3,384.41 cubic yards of material from SML 060060 during the 2019 operating year;

WHEREAS on February 10, 2021, 216 filed an annual return documenting the removal of 2,254 cubic yards of (material) from SML 060060 during the 2020 operating year;

WHEREAS on February 10, 2021 an AEP Environmental Protection Officer [“EPO”] identified that the CRBP committed the operator to dry excavation only in the pit sequencing notes;

WHEREAS on February 17, 2021, Nathan Polturak, an Environmental Protection Officer (“EPO”) and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the “Inspector”), conducted a review of the terms and conditions of SML 060060 and 2019 satellite imagery of the area and determined that 216 contravened the *Public Lands Act* and *Public Lands Administration Regulation* by:

- 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.
- failed to pay fees owing to AEP;
- 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.

WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance (“NONC”) to 216 stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 060060.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which stated that since March 2019, 216 has completed minor earthworks and hauling of crushed gravel. It also stated that 216’s intentions with respect to the Pit were as follows;

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

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS the surface land disturbance in the Pit is “specified lands” as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of *EPEA* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the “Inspector”) has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*; , and

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Pit and directing the performance of work is necessary in order to conserve and reclaim specified land.

THEREFORE, I Nathan Polturak, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:



1. The Parties shall immediately suspend any and all work at the Pit, and shall not remove any stockpiled materials.
2. By **March 19, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **March 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
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  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;

7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, the 12<sup>th</sup> day of March, 2021.



Nathan Polturak  
Inspector,  
Environmental Protection Officer  
North Region

**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at:**

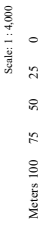
**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.**

**Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.**

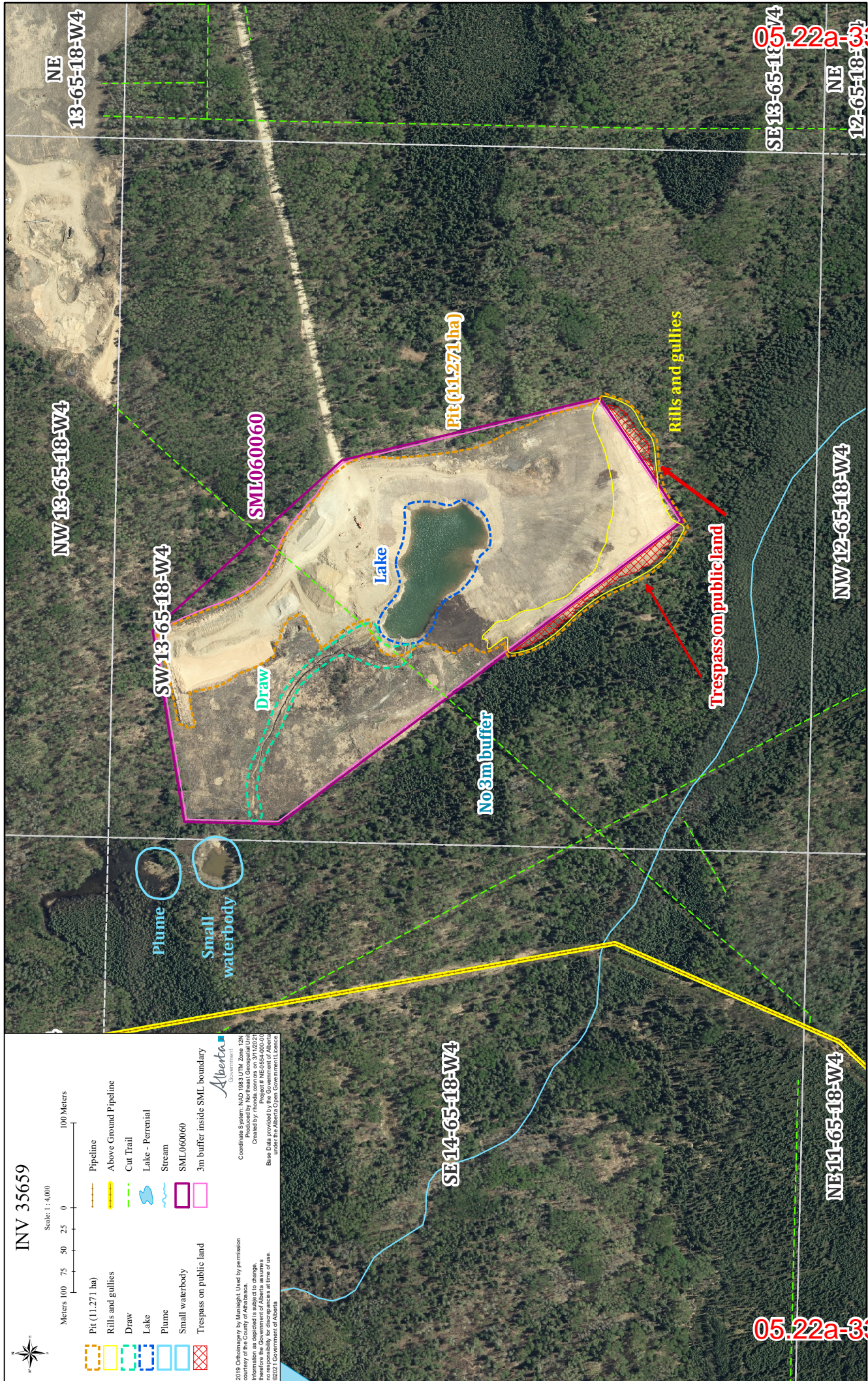
## APPENDIX A

INV 35659



- Pit (11.271 ha)
- Rills and gullies
- Draw
- Lake
- Plume
- Small waterbody
- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cur Trail
- Lake - Perennial
- Stream
- SML 060060
- 3m buffer inside SML boundary

2019 Orthomosaic by Muralight. Used by permission courtesy of the County of Alberta.  
 Information as depicted is subject to change. No responsibility for discrepancies at time of use.  
 ©2021 Government of Alberta



05.22a-3322

05.22a-3322

---

**From:** Heather Dent  
**Sent:** Friday, March 19, 2021 1:47 PM  
**To:** Cumming, Tom  
**Cc:** Byron LevKulich (Byron.LevKulich@rlholdings.com); Tyler Pell  
**Subject:** IMPORTANT CORRESPONDENCE FROM ALBERTA ENVIRONMENT AND PARKS-  
Amendment No. 1 to EPO-EPEA-35659-07  
**Attachments:** Amendment 1 to SML 060060 EPO.pdf

Good afternoon Mr. Cumming,

As previously confirmed with AEP, you have agreed to accept service of the Environmental Protection Orders pertaining to the reclamation of gravel pits on behalf 2161889 Alberta Ltd., Byron Levkulich, and Aaron Patsch. Please accept Amendment No.1 to the Environmental Protection Order as requested by Mr. Tyler Pell of JMB. Please verify that this order amendment has been received as service.

**Heather Dent**  
*Compliance Manager*  
Alberta Environment and Parks  
Regulatory Assurance Division  
Phone: 780.427.9335  
[Heather.Dent@gov.ab.ca](mailto:Heather.Dent@gov.ab.ca)



To report an environmental emergency, incident, or complaint please phone the 24-hour **Environmental Response Centre** at **1-800-222-6514**.

Classification: Protected A



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**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING RSA 2000, c. E-12 (the "Act")

**Amendment No. 1**

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

2161889 Alberta Ltd.  
P.O. Box 6977  
Bonnyville, AB  
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Lisa Ball, former Director of 2161889 Alberta Ltd.  
2161889 Alberta Ltd.  
PO Box 211  
Boyle, AB  
T0A 0M0

541466 Alberta Ltd.  
2300, 10180 – 101 St NW  
Edmonton, AB  
T5J 1V3

Robert W. Beaverford  
52547 RR 223

Sherwood Park, AB  
T8A 4P7

[Collectively, the “Parties”]

WHEREAS Environmental Protection Order No. 35659-07 was issued to the Parties on March 12, 2021;

WHEREAS on March 17, 2021 2161889 Alberta Ltd. requested an extension to Clause 3 of the Environmental Protection Order, requesting to change the Plan’s submission date from March 31, 2021 to May 31, 2021;

WHEREAS section 243(1)(a) of the *Environmental Protection and Enhancement Act* states the Director may amend a term or condition of an environmental protection order;

THEREFORE, I Heather Dent, Director pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the Environmental Protection Order, that the date of “March 31, 2021” be deleted and replaced by “**May 31, 2021**”.

DATED at the City of Edmonton in the Province of Alberta, this Friday on the 19<sup>th</sup> day of March, 2021.

---

Heather Dent  
Compliance Manager  
Boreal North Region

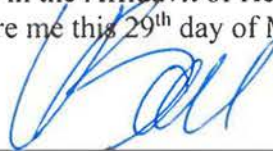
**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.**

**Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.**

This is **Exhibit "P"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**



---

**WATER ACT**

BEING CHAPTER W-3 R.S.A. 2000 (the "Act")

**ENFORCEMENT ORDER NO. EO-WA-35659-01**

2161889 Alberta Ltd.  
P.O. Box 6977  
Bonnyville, AB  
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Lisa Ball, former Director of 2161889 Alberta Ltd.  
2161889 Alberta Ltd.  
PO Box 211  
Boyle, AB  
T0A 0M0

541466 Alberta Ltd.  
o/a JLG Ball Enterprises  
2300, 10180 – 101 St NW  
Edmonton, AB  
T5J 1V3

Robert W. Beaverford  
52547 RR 223  
Sherwood Park, AB  
T8A 4P7

[Collectively, the “Parties”]

WHEREAS 2161889 Alberta Ltd. (“216”) has operated a gravel pit (the “Pit”) in 2019 and 2020 on a portion of public land legally described as SW-13-065-18-W4M [the “Lands”] in Athabasca County, in the Province of Alberta;

WHEREAS the Pit covers approximately 11.271 hectares on the Lands and the approximate boundaries of the Pit are shown on the map in Appendix A to this Order;

WHEREAS the Lands are contained in surface material lease 060060 (“SML 060060”) that is a disposition issued to 216 under the *Public Lands Act* as a result of an assignment on March 15, 2019. SML 060060 expires on May 28, 2024;

WHEREAS Byron Levkulich, Aaron Patsch, Jeffrey Buck, and Lisa Ball are former Directors for 216;

WHEREAS Robert W. Beaverford held SML 060060 between June 27, 2008 and March 15, 2019;

WHEREAS 541466 Alberta Ltd. (“541”) operated the Pit between May 2017 and March 15, 2019;

WHEREAS Lisa Ball has been a Director for 541 from November 1999 to March 10, 2021 (present);

WHEREAS Clause 6 of Schedule A to SML 060060 – “Operating Conditions to the Agreement” requires the holder to reclaim any land disturbed in accordance with the approved Conservation and Reclamation Business Plan (CRBP). CRBP dated: May 28, 2014;

WHEREAS on May 28, 2014, Alberta Environment and Parks (“AEP”) approved the Conservation and Reclamation Business Plan Approval for SML060060 (“CRBP”);

WHEREAS Clause 13 of Schedule A to SML 060060 – “Operating Conditions to the Agreement” requires the holder to leave a buffer zone of undisturbed vegetation a minimum width of 100 m between the Lands and all waterbodies and courses;

WHEREAS on May 10, 2017, an AEP Public Lands Officer [“PLO”] inspected the Lands and observed that the Lands had been recently logged, but had not yet been disturbed by mining activities;

WHEREAS on January 22, 2019 Robert Beaverford filed an annual return documenting the removal of 174,965.19 cubic yards of material from SML 060060 during the 2018 operating year;

WHEREAS on March 26, 2019 the Director issued an administrative penalty to 541466 Alberta Ltd. and Robert Beaverford, for:

- Entering public land without authorization;

- Cleared public land without authority;
- Causing loss and damage with rutting and vegetation removal by heavy equipment;
- Contravened the terms of the lease by operating during a timing restriction; and
- Caused loss and damage to public land with root removal and vegetation piling and the removal of topsoil, which are all contraventions of the *Public Lands Act* or SML 0600060;

WHEREAS on May 1, 2020, 216 entered into proceedings under the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C-36;

WHEREAS on October 7, 2020, the PLO inspected the Lands, took photos, and identified:

- An end pit waterbody (“Lake”) in the Pit (refer to Appendix A);
- Drainage patterns in the south of the Pit do not match details shown in the CRBP;
- Erosion washing to the adjacent vegetation resulting in trespass of public land (“trespass” on map in Appendix A);
- Rills and gullies formed along southern boundary of the Lands (refer to Appendix A);
- Subsoil and aggregate stockpiles were located on the edges of the Lake;
- A trench (“Ditch A”) that was not identified on the CRBP that functioned as outflow for the Lake;
- The trench exited the Lands near a small waterbody located across from the northwest corner of SML 060060 in SE-14-065-18-W4M; and
- Siltation occurring to the small waterbody;

WHEREAS on January 31, 2020 216 filed an annual return documenting the removal of 3,384.41 cubic yards of material from SML 060060 during the 2019 operating year;

WHEREAS on February 10, 2021 216 filed an annual return documenting the removal of 2,254 cubic yards of material from SML 060060 during the 2020 operating year;

WHEREAS the *Public Lands Administration Regulation* section 105(c) defines operations as the removal of surface material from public land described in a lease;

WHEREAS the *Public Lands Administration Regulation* section 105(g) defines surface material means sand and gravel;

WHEREAS on February 10, 2021, an AEP Environmental Protection Officer (“EPO”) identified that the approved CRBP committed to dry excavation only in the pit sequencing;

WHEREAS on February 10, 2021, the EPO conducted a search of the AEP Authorization Viewer for the Lands for a *Water Act* Approval to conduct activities and determined there is no authorization on record;

WHEREAS on February 17, 2021, Nathan Polturak, an EPO and Inspector under the *Water Act*

RSA 2000, c W-3 (the “Inspector”), conducted a review of the terms and conditions of SML 060060 and 2019 satellite imagery of the area and determined that 216 contravened the *Public Lands Act* and the *Water Act* by:

- Contravened one or more provisions of the disposition; and
- commencing or continuing an activity except pursuant to an approval where no authorization was granted

WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance (“NONC”) to 216 stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 060060.

WHEREAS the NONC stated that, by February 26, 2021 216 was to provide a written plan:

- 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.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which clarified with respect to SML 060060, that since March 2019, 216 has completed minor earthworks and hauling of crushed gravel and stated that 216’s intentions were as follows;

- 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; and
- submit non-compliance for construction of water body without authorization.

WHEREAS on February 26, 2021, the EPO identified off-site impacts to a waterbody due to erosion and siltation originating from the Lake. The observation was made on the Athabasca County MuniSight website using the 2019 ortho base layer. Observed impacts include silty water in a small waterbody across from the northwest corner of SML 060060 in SE-14-065-18-W4M as well as a siltation plume (refer to Appendix A) extending north from the small waterbody into a wetland complex (“the waterbodies”) that empties to Amisk Lake;

WHEREAS altering the flow, direction of flow or level of water or changing the location of water for the purpose of drainage is an “activity” as defined in Section 1(1)(b)(i) and (ii) of the *Water Act*;

WHEREAS the maintaining, removing or disturbing ground or carrying out of any undertaking that causes, may cause or may become capable of causing the siltation of water is an “activity” as defined in Section 1(1)(b)(i) of the *Water Act*;

WHEREAS section 36(1) of the *Water Act* states that no person shall commence or continue an activity except pursuant to an approval unless otherwise authorized under the *Act*;

WHEREAS AEP has not issued an approval or licence to any of the Parties or to any person for the creation of the Lake and this activity is not otherwise authorized under the *Water Act*;

WHEREAS AEP has not issued an approval or licence to any of the Parties or to any person for any undertaking resulting in the siltation of the waterbodies and this activity is not otherwise authorized under the *Water Act*;

WHEREAS section 135(1) of the *Water Act* states the Director may issue an enforcement order to any person if, in the Director's opinion, that person has contravened this Act, whether or not that person has been charged or convicted in respect of the contravention;

WHEREAS Heather Dent, Compliance Manager, Alberta Environment and Parks, has been designated as a Director for the purpose of issuing enforcement orders under the *Water Act* [the "Director"];

WHEREAS the Director is of the opinion that the Parties have contravened Section 36(1) of the *Water Act* by commencing or continuing an activity without an approval;

THEREFORE, I, Heather Dent, the Director, pursuant to Sections 135(1) and 136(1) of the *Water Act*, DO HEREBY ORDER THAT:

1. The Parties shall immediately cease all unauthorized activities on the Lands, including any work on, in or around the Lake.
2. The Parties shall submit to the Director, for the Director's approval, the name and qualifications of a Professional who is a member in good standing with a Professional Regulatory Organization, with experience in preparing a remedial plan and managing groundwater by **March 19, 2021**.
3. The Parties shall submit to the Director, for the Director's approval, a written remedial plan ("Remedial Plan") signed and stamped by the Professional by **March 31, 2021**.
4. The Parties shall include in the Remedial Plan all of the following:
  - a. A detailed assessment of the Lands including drainage, soils, vegetation, water (ground/surface) and any affected areas surrounding the Lands;
  - b. Apply for required authorization to conduct remedial activities of the Land;

- c. A detailed map to determine:
    - i. The source of the water in the Lake;
    - ii. The original drainage prior to any activity on the Lands; and
    - iii. The current drainage including the extent water is discharging off the Lands.
  - d. A hydrological assessment of:
    - i. the amount of water that is discharging off of the Lands annually; and
    - ii. The sediment load eroded from the Lands annually;
  - e. A detailed description of how the Lake on the Lands will be reclaimed;
  - f. A detailed plan on how water will be managed on the Lands and be returned to the natural drainage system once the Lake has been decommissioned;
  - g. A description of the type of equipment, methods, and materials that will be used in implementing the Remedial Plan;
  - h. A description of the long-term monitoring and maintenance measures that will be implemented to ensure that remedial works remain effective at achieving the goals in Paragraphs 4E and 4F of this Order; and
  - i. A schedule of implementing the Remedial Plan with a completion date no later than **October 1, 2021**.
5. In the Water Act Remedial Plan, the Parties must include a detailed plan to permanently render ineffective Ditch A
  6. The Parties shall implement the Remedial Plan as approved in writing by the Director in accordance with the schedule of implementation approved by the Director.
  7. The Parties shall provide the Director with a minimum of 2 business days' notice by email prior to commencing any work under the Remedial Plan.
  8. The Parties shall submit progress updates to the Director on **July 15, 2021**; **November 15, 2021**; **May 15, 2022**; and **July 31, 2022** that include a detailed summary of all remedial activities undertaken pursuant to this Enforcement Order;
  9. The Parties shall submit a final report prepared and signed by the approved Professional describing the work undertaken to comply with this Order by **October 30, 2022**.

DATED at the City of Edmonton in the Province of Alberta, this 12th day of March 2021.

---

Heather Dent  
Compliance Manager  
Boreal North Region

**Section 115 of the *Water Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 115 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

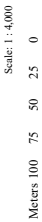
**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.**

**Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.**

## APPENDIX A



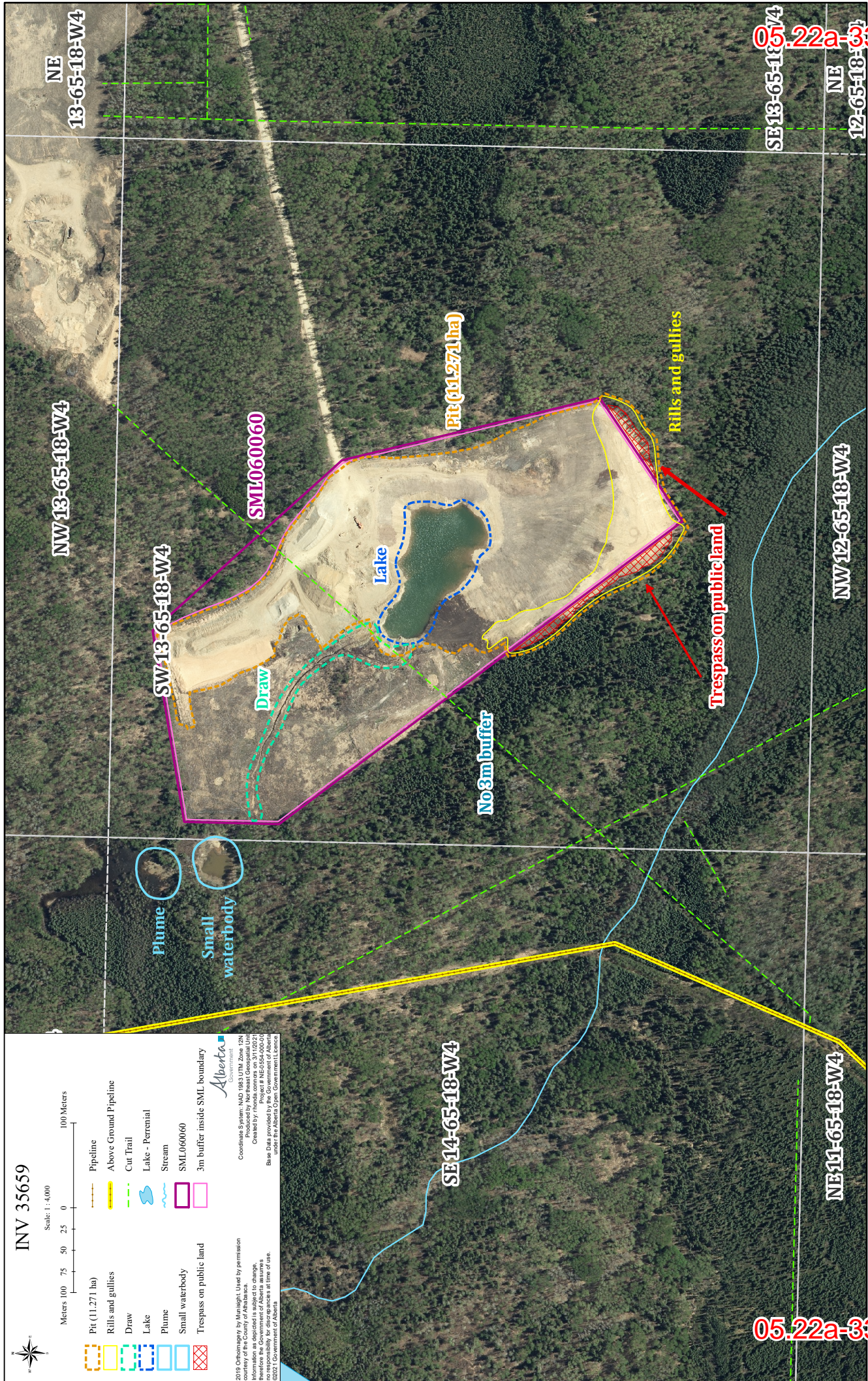
INV 35659



- Pit (11.271 ha)
- Rills and gullies
- Draw
- Lake
- Plume
- Small waterbody
- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cur Trail
- Lake - Perennial
- Stream
- SML 060060
- 3m buffer inside SML boundary

2019 Orthomosaic by Muralight. Used by permission courtesy of the County of Alberta.  
 Information is depicted as subject to change. No responsibility for discrepancies at time of use.  
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Coordinates System: NAD 1983 UTM Zone 12N  
 Produced by: Nova Geospatial Unit  
 Created by: Thomas Somers on 31/10/21  
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05.22a-3335

05.22a-3335

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**From:** Heather Dent  
**Sent:** Friday, March 19, 2021 1:47 PM  
**To:** Cumming, Tom  
**Cc:** Byron LevKulich (Byron.LevKulich@rlholdings.com); Tyler Pell  
**Subject:** IMPORTANT CORRESPONDENCE FROM ALBERTA ENVIRONMENT AND PARKS-  
Amendment No. 1 to EO-WA-35659-01  
**Attachments:** Amendment 1 to SML 060060 EO.pdf

Good afternoon Mr. Cumming,

As previously confirmed with AEP, you have agreed to accept service of the Enforcement Orders pertaining to the reclamation of gravel pits on behalf 2161889 Alberta Ltd., Byron Levkulich, and Aaron Patsch. Please accept Amendment No.1 to the Environmental Order as requested by Mr. Tyler Pell of JMB. Please verify that this order amendment has been received as service.

**Heather Dent**  
*Compliance Manager*  
Alberta Environment and Parks  
Regulatory Assurance Division  
Phone: 780.427.9335  
[Heather.Dent@gov.ab.ca](mailto:Heather.Dent@gov.ab.ca)



To report an environmental emergency, incident, or complaint please phone the 24-hour **Environmental Response Centre** at **1-800-222-6514**.

Classification: Protected A

**WATER ACT**

BEING CHAPTER W-3 R.S.A. 2000 (the "Act")

**Amendment No. 1**

To

**ENFORCEMENT ORDER NO. EO-WA-35659-01**

2161889 Alberta Ltd.  
P.O. Box 6977  
Bonnyville, AB  
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Lisa Ball, former Director of 2161889 Alberta Ltd.  
2161889 Alberta Ltd.  
PO Box 211  
Boyle, AB  
T0A 0M0

541466 Alberta Ltd.  
o/a JLG Ball Enterprises  
2300, 10180 – 101 St NW  
Edmonton, AB  
T5J 1V3

Robert W. Beaverford  
52547 RR 223  
Sherwood Park, AB  
T8A 4P7

[Collectively, the “Parties”]

WHEREAS Enforcement Order No. 35659-01 was issued to the Parties on March 12, 2021;

WHEREAS on March 17, 2021 2161889 Alberta Ltd. requested an extension to Clause 3 of the Enforcement Order, requesting to change the Plan’s submission date from March 31, 2021 to May 31, 2021;

WHEREAS section 137(1) of the *Water Act* states the Director may amend a term or condition of an enforcement order;

THEREFORE, I, Heather Dent, the Director, pursuant to section 137(1) of the *Water Act*, DO HEREBY ORDER THAT:

1. In Clause 3 of the Enforcement Order, that the date of “March 31, 2021” be deleted and replaced by “**May 31, 2021**”.

DATED at the City of Edmonton in the Province of Alberta, this Friday the 19<sup>th</sup> day of March 2021.

---

Heather Dent  
Compliance Manager  
Boreal North Region

**Section 115 of the *Water Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 115 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.**

**Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.**

This is **Exhibit "Q"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-10**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

(Collectively, the "Parties")

WHEREAS JMB Crushing Systems Inc. ("JMB") has operated a gravel pit (the "Pit") on a portion of public land legally described as SW-30-063-08-W4M (the "Lands") in the Municipal District of Bonnyville, in the Province of Alberta;

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS the Pit is approximately 0.347 Hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS a "pit" is defined in the *Environmental Protection and Enhancement Act* ("EPEA") to mean an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 120027 (“SML 027”) that is a disposition issued to JMB under the *Public Lands Act* on January 13, 2020. SML 027 expires on January 12, 2030;

WHEREAS the Lands were held by JMB under SMC 110019 from May 26, 2011 to June 26, 2015;

WHEREAS on June 11, 2012 JMB was issued TFA 123579, authorizing early entry to SML 120027;

WHEREAS TFA 123579 was subject to the following conditions:

- The holder shall reclaim all disturbed land surfaces within two growing seasons, to occur concurrently with operations;
- Final surface reclamation must meet the requirements for the specific activity in place at time of abandonment;
- Initial efforts at re-establishing a vegetative cover on disturbed surface must be accomplished by planting native tree and shrub species; and
- The holder shall take all precautions and safeguards necessary to prevent soil and surface erosion to the satisfaction of the department in its sole discretion;

WHEREAS on January 31, 2013 JMB filed an annual return documenting the removal of 14,768.57 cubic yards of material from SML 027 during the 2012 operating year;

WHEREAS in 2014, JMB filed an annual return documenting the removal of 3,625 cubic yards of material from SML 027 during the 2013 operating year;

WHEREAS on January 13, 2020 AEP approved the Conservation and Reclamation Business Plan (“CRBP”) for SML 027;

WHEREAS Clause 13 of Schedule A – Operating Conditions to the Agreement requires the Operator to reclaim any land disturbed in accordance with the approved conservation, operation and reclamation plans;

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on May 11, 2020 Alberta Environment and Parks (“AEP”) Public Lands Officer (“PLO”) completed an inspection on the Lands and identified the following:

- the Lands were dormant and appeared to be in the stages of final reclamation;
- lack of topsoil replacement on a large portion of the pit

WHEREAS on December 4, 2020 JMB indicated they will not be completing any further reclamation works on the Lands;

WHEREAS on February 17, 2021, Nathan Polturak, an Environmental Protection Officer (“EPO”) and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the “Inspector”), conducted a review of the terms and conditions of SML 027 and 2019 satellite imagery of the area and determined that JMB contravened the *Public Lands Act* and Public Lands Administration Regulation by allowing erosion and sedimentation on or adjacent to the Lands;



WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance (“NONC”) to JMB stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 027.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which stated that SML 027 is depleted and 99% of reclamation is complete;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS the surface land disturbance in the Pit is “specified lands” as defined by the Conservation and Reclamation Regulation section 1(t)(v);

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of EPEA section 134(b)(i) to (vi), and therefore are operators;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the “Inspector”) has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 the *Environmental Protection and Enhancement Act*, and

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Pit and directing the performance of work is necessary in order to conserve and reclaim specified land.

THEREFORE, I Nathan Polturak, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector’s approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
2. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector’s review and approval a written reclamation and remedial plan (“Plan”).
3. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A description of the adjacent land uses.
  - c. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - d. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.

- e. A proposed Schedule of Implementation that shall have **June 30, 2022** as the completion date.
  - f. A six month monitoring and maintenance program commencing **June 30, 2022**.
4. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
  5. The Parties shall submit progress updates to the Inspector on **July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



Nathan Polturak  
Inspector  
Environmental Protection Officer  
North Region

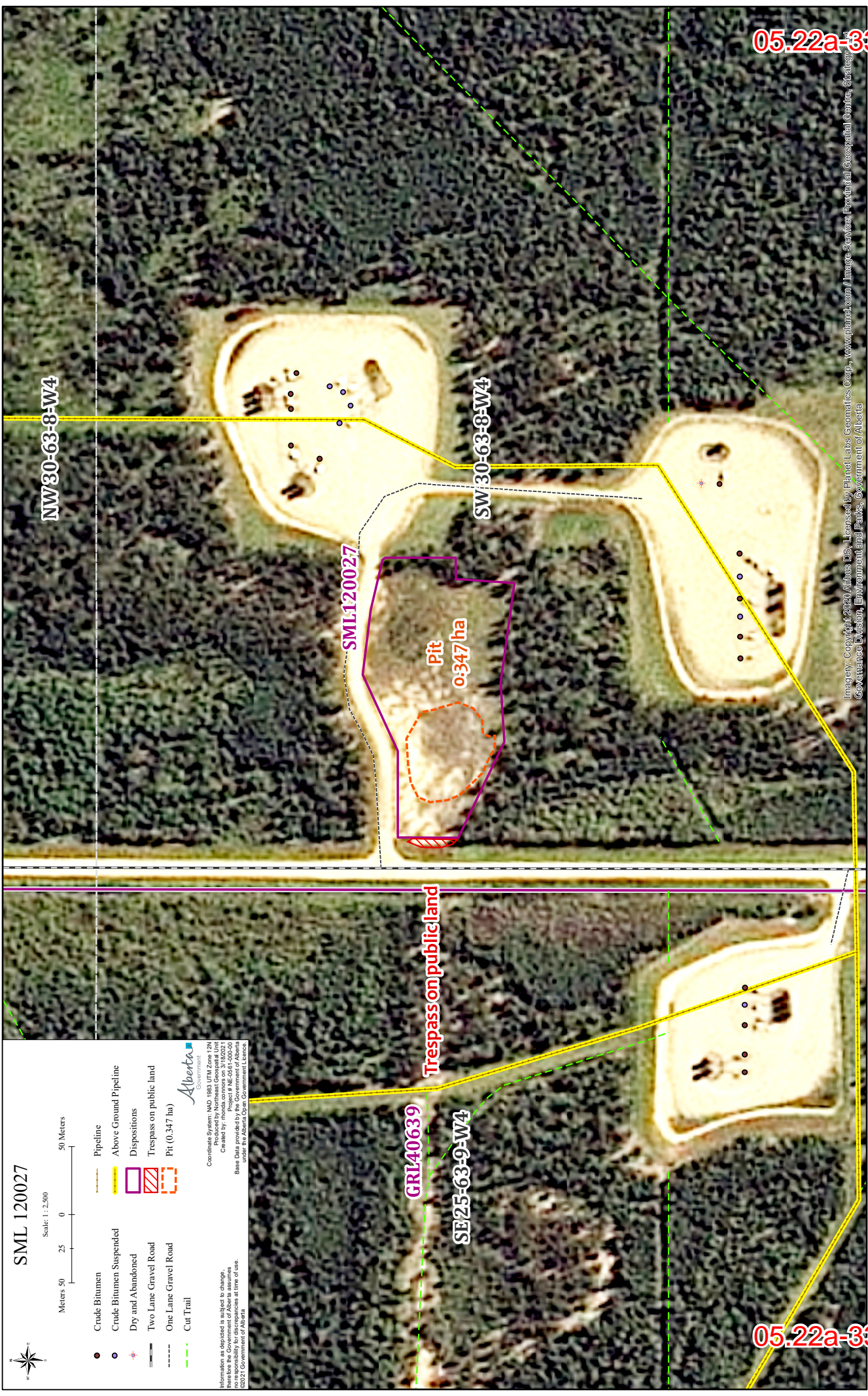
**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.**

**Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.**

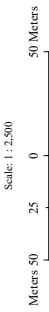
## APPENDIX A



05.22a-3346

05.22a-3346

SML 120027



- Crude Bitumen
- Crude Bitumen Suspended
- Dry and Abandoned
- Two Lane Gravel Road
- One Lane Gravel Road
- - - Cut Trail
- Pipeline
- Above Ground Pipeline
- Dispositions
- Trespass on public land
- Pit (0.347 ha)

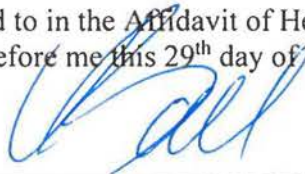


Information is depicted as subject to change.  
 No responsibility for discrepancies at time of use.  
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Geomatics  
 Alberta  
 Coordinates System: NAD 83 / UTM Zone 18N  
 Produced by Northern Geospatial Unit  
 Created by: monika.komarov on 31/08/2021  
 Base Data provided by the Government of Alberta  
 under the Alberta Open Government Licence

Imagery: Copyright 2020 Airbus DS. Licensed by Planet Labs Geomatics Corp., www.planet.com / Image Services, Provincial Geospatial Centre, Strategy & Governance Division, Environment and Parks, Government of Alberta

This is **Exhibit "R"**  
referred to in the Affidavit of Heather Dent  
Sworn before me this 29<sup>th</sup> day of March, 2021



---

A Commissioner of Oaths  
in and for the Province of Alberta

**Vivienne M. Ball**  
**Barrister & Solicitor**  
**Alberta Justice and Solicitor General**

2021/03/19 13:27:17 1 /13



Natalie Birtwistle

Legal Administrative Assistant

Direct Phone

Fax +1 403-263-9193

Natalie.Birtwistle@gowlingwlg.com

**FACSIMILE**

**To:** Board Secretary  
**Company:** Environmental Appeals Board  
**Fax Number:** 780-427-4693  
**Tel Number:**  
**City, Prov./State, Country:**

City Province/State Country

**Date:** 2021-03-19  
**Re:** Enforcement Order EP-WA-35659-01  
**Total Pages:** 13 (including cover)  
**File number:**



EAB 20-046  
20-047  
20-048

**Message:**

Good afternoon,

Please see the attached Notice of Appeal from Alison Gray.  
Thank you

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Natalie Birtwistle

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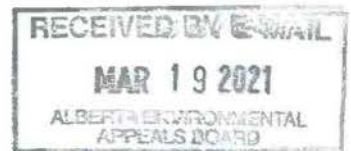
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**FACSIMILE**

**To:** Gilbert Van Nes  
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**Fax Number:** 780-427-4693  
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*EAB 20-046  
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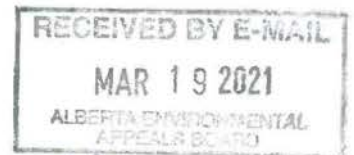
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## ENVIRONMENTAL APPEALS BOARD

IN THE MATTER OF Enforcement Order EO-WA-35659-01 issued to 2161889 Alberta Ltd., Byron Levkulich, Aaron Patsch, Jeffrey Buck, Lisa Ball, 5141466 Alberta Ltd. o/a JLG Ball Enterprise and Robert Beaverford pursuant to the *Water Act*

EAB 20-046  
20-047  
20-048

NOTICE OF APPEAL

Filed on Behalf of 2161889 Alberta Ltd., Byron Levkulich,  
and Aaron Patsch

**TAKE NOTICE** that 2161889 Alberta Ltd., Byron Levkulich, and Aaron Patsch (the "**Parties**") require a hearing by the Environmental Appeal Board pursuant to Section 115 of the *Water Act*, RSA 2000, c W-3 and Section 91(1)(p) of the *Environmental Protection and Enhancement Act* in respect of Enforcement Order No. EO-WA-35659-01 (the "**Order**") issued by Heather Dent, Director on March 12, 2021.

**A. THE APPEAL IS IN RESPECT OF THE FOLLOWING:**

1. Paragraphs 3, 4(i), 8 and 9 of the Order.

**B. THE GROUNDS OF APPEAL ARE AS FOLLOWS:**Background

2. 2161889 Alberta Ltd. ("**216**") operated a pit on a portion of public land legally described as SW 13-065-18-W4M (the "**Lands**"). The Lands are contained in surface material lease 060060 issued under the *Public Lands Act*, RSA 2000, c P-40.
3. On May 1, 2020, 216 obtained an initial order from the Court of Queen's Bench of Alberta under the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA Proceedings**").
4. On February 23, 2021, the Alberta Environment and Parks ("**AEP**") issued a Notice of Non Compliance ("**NONC**") requiring 216 to provide by February 26, 2021 a written plan that included the items set out in the NONC.
5. 216 responded to the NONC advising that since March 2019, 216 completed minor earthworks and hauling of crushed gravel and stated 216 would:
  - (a) engage the services of a legal land surveyor to survey the southern boundary in question and forward the results to the AEP for further consultation and possible action;
  - (b) work with the AEP to determine final *Water Act* authorization requirements for filling the constructed water body;



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- (c) update CRBP as needed; and
  - (d) submit non-compliance for construction of water body without authorization.
6. On March 12, 2021, Heather Dent, the Director, issued the Order pursuant to sections 135(1) and 136(1) of the *Water Act*.

**The Timing Required Under the Order is Unreasonable**

7. The Parties have acted in good faith and with due diligence in trying to comply with the AEP's directions and requirements, as well as the Order with the timelines requested.
8. Paragraph 3 of the Order requires the Parties submit to the Director for the Director's approval, a written remedial plan (the "Plan").
9. Paragraph 4 of the Order sets out what must be included in the Plan.
10. In respect of paragraphs 3, 4(i), 8 and 9 of the Order, the deadlines set out with respect to the submission and implementation of the Plan are unreasonable, as the work requested cannot be completed within the stated timelines. An appropriate and cost effective remedial plan may identify a form of remediation that will extend beyond the specified dates, but which will still be protective of the natural environment.
- (a) With respect to land remediation, the remediation date of September 20, 2022 is unreasonable. The Parties state remediation can reasonably be completed in 2023.
  - (b) With respect to water remediation, the remediation date of October 21, 2021 is unreasonable. The Parties state remediation can reasonably be completed by the end of December 2021 or early 2022.
  - (c) With respect to submission of the Plan by March 31, 2021, an extension to May 31, 2021 has been requested on the basis that the designated third party consultant needs to assess the site in snow free and frost free conditions. The proposed date allows the consultant to do their due diligence in assessing the site for unfrozen surface water and groundwater conditions.
11. The Parties are in discussions with the AEP with respect to the timelines set out in the Order and requested an extension of the deadlines, but have not yet been advised by the AEP whether the requested extensions will be allowed.
12. Such further or other grounds as the Appellants' counsel may advise and the Board may permit.
- C. RELIEF REQUESTED:**
13. The Appellant respectfully requests the Board:

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- (a) Dismiss the Order; or
- (b) in the alternative, order, or recommend to the Minister, that the Order be amended as follows:
  - (i) the timelines be extended with respect to the Plan as outlined above; and
  - (ii) such further and other items as counsel may advise.

**D. ENCLOSURES**

14. The Enforcement Order No. EO-WA-35659-01 issued March 12, 2021.

Dated at Calgary this 19th day of March, 2021.



**Gowling WLG (Canada) LLP**  
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**Counsel for the Parties**

**TO:** Board Secretary  
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**AND** Heather Dent  
**TO:** Compliance Manager  
Alberta Environment and Parks  
Regulatory Assurance Division  
3rd Floor, Provincial Building  
9915 Franklin Avenue  
Fort McMurray, AB T9H 2K4  
Phone: 780.427.9335  
Heather.Dent@gov.ab.ca

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**WATER ACT**

BEING CHAPTER W-3 R.S.A. 2000 (the "Act")

**ENFORCEMENT ORDER NO. EO-WA-35659-01**

2161889 Alberta Ltd.  
P.O. Box 6977  
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541466 Alberta Ltd.  
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Robert W. Beaverford  
52547 RR 223  
Sherwood Park, AB  
T8A 4P7

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

[Collectively, the "Parties"]

WHEREAS 2161889 Alberta Ltd. ("216") has operated a gravel pit (the "Pit") in 2019 and 2020 on a portion of public land legally described as SW-13-065-18-W4M [the "Lands"] in Athabasca County, in the Province of Alberta;

WHEREAS the Pit covers approximately 11.271 hectares on the Lands and the approximate boundaries of the Pit are shown on the map in Appendix A to this Order;

WHEREAS the Lands are contained in surface material lease 060060 ("SML 060060") that is a disposition issued to 216 under the *Public Lands Act* as a result of an assignment on March 15, 2019. SML 060060 expires on May 28, 2024;

WHEREAS Byron Levkulich, Aaron Patsch, Jeffrey Buck, and Lisa Ball are former Directors for 216;

WHEREAS Robert W. Beaverford held SML 060060 between June 27, 2008 and March 15, 2019;

WHEREAS 541466 Alberta Ltd. ("541") operated the Pit between May 2017 and March 15, 2019;

WHEREAS Lisa Ball has been a Director for 541 from November 1999 to March 10, 2021 (present);

WHEREAS Clause 6 of Schedule A to SML 060060 – "Operating Conditions to the Agreement" requires the holder to reclaim any land disturbed in accordance with the approved Conservation and Reclamation Business Plan (CRBP). CRBP dated: May 28, 2014;

WHEREAS on May 28, 2014, Alberta Environment and Parks ("AEP") approved the Conservation and Reclamation Business Plan Approval for SML060060 ("CRBP");

WHEREAS Clause 13 of Schedule A to SML 060060 – "Operating Conditions to the Agreement" requires the holder to leave a buffer zone of undisturbed vegetation a minimum width of 100 m between the Lands and all waterbodies and courses;

WHEREAS on May 10, 2017, an AEP Public Lands Officer ["PLO"] inspected the Lands and observed that the Lands had been recently logged, but had not yet been disturbed by mining activities;

WHEREAS on January 22, 2019 Robert Beaverford filed an annual return documenting the removal of 174,965.19 cubic yards of material from SML 060060 during the 2018 operating year;

WHEREAS on March 26, 2019 the Director issued an administrative penalty to 541466 Alberta Ltd. and Robert Beaverford, for:

- Entering public land without authorization;

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

- Cleared public land without authority;
- Causing loss and damage with rutting and vegetation removal by heavy equipment;
- Contravened the terms of the lease by operating during a timing restriction; and
- Caused loss and damage to public land with root removal and vegetation piling and the removal of topsoil, which are all contraventions of the *Public Lands Act* or SML 0600060;

WHEREAS on May 1, 2020, 216 entered into proceedings under the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C-36;

WHEREAS on October 7, 2020, the PLO inspected the Lands, took photos, and identified:

- An end pit waterbody ("Lake") in the Pit (refer to Appendix A);
- Drainage patterns in the south of the Pit do not match details shown in the CRBP;
- Erosion washing to the adjacent vegetation resulting in trespass of public land ("trespass" on map in Appendix A);
- Rills and gullies formed along southern boundary of the Lands (refer to Appendix A);
- Subsoil and aggregate stockpiles were located on the edges of the Lake;
- A trench ("Ditch A") that was not identified on the CRBP that functioned as outflow for the Lake;
- The trench exited the Lands near a small waterbody located across from the northwest corner of SML 060060 in SE-14-065-18-W4M; and
- Siltation occurring to the small waterbody;

WHEREAS on January 31, 2020 216 filed an annual return documenting the removal of 3,384.41 cubic yards of material from SML 060060 during the 2019 operating year;

WHEREAS on February 10, 2021 216 filed an annual return documenting the removal of 2,254 cubic yards of material from SML 060060 during the 2020 operating year;

WHEREAS the *Public Lands Administration Regulation* section 105(c) defines operations as the removal of surface material from public land described in a lease;

WHEREAS the *Public Lands Administration Regulation* section 105(g) defines surface material means sand and gravel;

WHEREAS on February 10, 2021, an AEP Environmental Protection Officer ("EPO") identified that the approved CRBP committed to dry excavation only in the pit sequencing;

WHEREAS on February 10, 2021, the EPO conducted a search of the AEP Authorization Viewer for the Lands for a *Water Act* Approval to conduct activities and determined there is no authorization on record;

WHEREAS on February 17, 2021, Nathan Polturak, an EPO and Inspector under the *Water Act*

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

RSA 2000, c W-3 (the "Inspector"), conducted a review of the terms and conditions of SML 060060 and 2019 satellite imagery of the area and determined that 216 contravened the *Public Lands Act* and the *Water Act* by:

- Contravened one or more provisions of the disposition; and
- commencing or continuing an activity except pursuant to an approval where no authorization was granted

WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance ("NONC") to 216 stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 060060.

WHEREAS the NONC stated that, by February 26, 2021 216 was to provide a written plan:

- 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.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which clarified with respect to SML 060060, that since March 2019, 216 has completed minor earthworks and hauling of crushed gravel and stated that 216's intentions were as follows;

- 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; and
- submit non-compliance for construction of water body without authorization.

WHEREAS on February 26, 2021, the EPO identified off-site impacts to a waterbody due to erosion and siltation originating from the Lake. The observation was made on the Athabasca County MuniSight website using the 2019 ortho base layer. Observed impacts include silty water in a small waterbody across from the northwest corner of SML 060060 in SE-14-065-18-W4M as well as a siltation plume (refer to Appendix A) extending north from the small waterbody into a wetland complex ("the waterbodies") that empties to Amisk Lake;

WHEREAS altering the flow, direction of flow or level of water or changing the location of water for the purpose of drainage is an "activity" as defined in Section 1(1)(b)(i) and (ii) of the *Water Act*;

WHEREAS the maintaining, removing or disturbing ground or carrying out of any undertaking that causes, may cause or may become capable of causing the siltation of water is an "activity" as defined in Section 1(1)(b)(i) of the *Water Act*;

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

WHEREAS section 36(1) of the *Water Act* states that no person shall commence or continue an activity except pursuant to an approval unless otherwise authorized under the *Act*;

WHEREAS AEP has not issued an approval or licence to any of the Parties or to any person for the creation of the Lake and this activity is not otherwise authorized under the *Water Act*;

WHEREAS AEP has not issued an approval or licence to any of the Parties or to any person for any undertaking resulting in the siltation of the waterbodies and this activity is not otherwise authorized under the *Water Act*;

WHEREAS section 135(1) of the *Water Act* states the Director may issue an enforcement order to any person if, in the Director's opinion, that person has contravened this *Act*, whether or not that person has been charged or convicted in respect of the contravention;

WHEREAS Heather Dent, Compliance Manager, Alberta Environment and Parks, has been designated as a Director for the purpose of issuing enforcement orders under the *Water Act* [ the "Director"];

WHEREAS the Director is of the opinion that the Parties have contravened Section 36(1) of the *Water Act* by commencing or continuing an activity without an approval;

THEREFORE, I, Heather Dent, the Director, pursuant to Sections 135(1) and 136(1) of the *Water Act*, DO HEREBY ORDER THAT:

1. The Parties shall immediately cease all unauthorized activities on the Lands, including any work on, in or around the Lake.
2. The Parties shall submit to the Director, for the Director's approval, the name and qualifications of a Professional who is a member in good standing with a Professional Regulatory Organization, with experience in preparing a remedial plan and managing groundwater by **March 19, 2021**.
3. The Parties shall submit to the Director, for the Director's approval, a written remedial plan ("Remedial Plan") signed and stamped by the Professional by **March 31, 2021**.
4. The Parties shall include in the Remedial Plan all of the following:
  - a. A detailed assessment of the Lands including drainage, soils, vegetation, water (ground/surface) and any affected areas surrounding the Lands;
  - b. Apply for required authorization to conduct remedial activities of the Land;

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

- c. A detailed map to determine:
    - i. The source of the water in the Lake;
    - ii. The original drainage prior to any activity on the Lands; and
    - iii. The current drainage including the extent water is discharging off the Lands.
  - d. A hydrological assessment of:
    - i. the amount of water that is discharging off of the Lands annually; and
    - ii. The sediment load eroded from the Lands annually;
  - e. A detailed description of how the Lake on the Lands will be reclaimed;
  - f. A detailed plan on how water will be managed on the Lands and be returned to the natural drainage system once the Lake has been decommissioned;
  - g. A description of the type of equipment, methods, and materials that will be used in implementing the Remedial Plan;
  - h. A description of the long-term monitoring and maintenance measures that will be implemented to ensure that remedial works remain effective at achieving the goals in Paragraphs 4E and 4F of this Order; and
  - i. A schedule of implementing the Remedial Plan with a completion date no later than **October 1, 2021**.
5. In the Water Act Remedial Plan, the Parties must include a detailed plan to permanently render ineffective Ditch A
  6. The Parties shall implement the Remedial Plan as approved in writing by the Director in accordance with the schedule of implementation approved by the Director.
  7. The Parties shall provide the Director with a minimum of 2 business days' notice by email prior to commencing any work under the Remedial Plan.
  8. The Parties shall submit progress updates to the Director on **July 15, 2021; November 15, 2021; May 15, 2022; and July 31, 2022** that include a detailed summary of all remedial activities undertaken pursuant to this Enforcement Order;
  9. The Parties shall submit a final report prepared and signed by the approved Professional describing the work undertaken to comply with this Order by **October 30, 2022**.



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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

DATED at the City of Edmonton in the Province of Alberta, this 12th day of March 2021.

---

Heather Dent  
Compliance Manager  
Boreal North Region

Section 115 of the *Water Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 115 is enclosed. For further information, please contact the Board Secretary at:

#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.

Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.

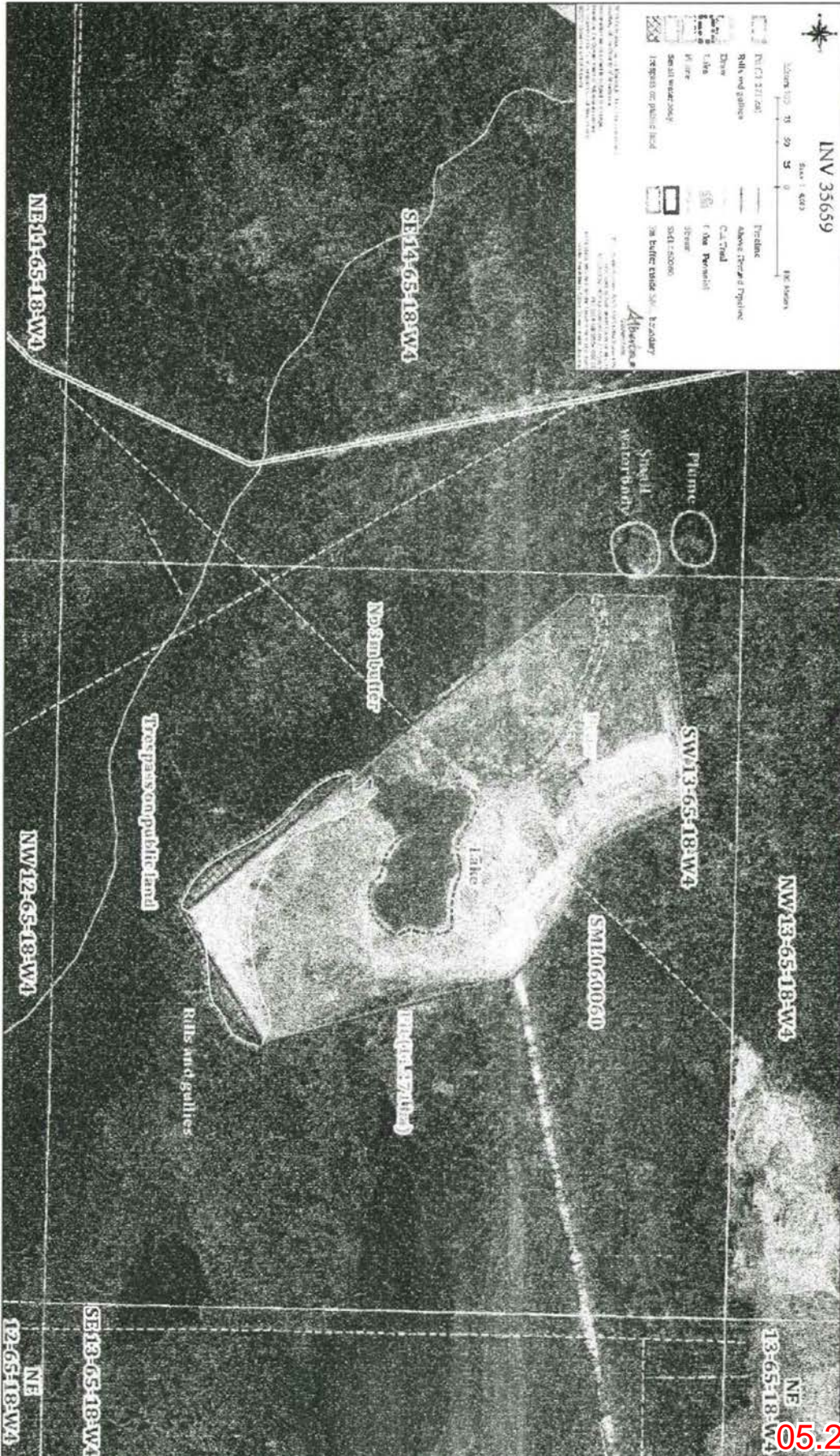
Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.

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2161889 Alberta Ltd.  
WA Enforcement Order No. EO-WA-35659-01

## APPENDIX A



**HP LaserJet MFP M130fn**  
**Fax Confirmation**

19-Mar-2021 13:31

Job	Date	Time	Type	Identification	Duration	Pages	Result
215	19/ 3/2021	13:15:37	Receive	Gowling WLG Calgary	15:23	13	OK