

COURT FILE NUMBER: 2101-05019

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF COALSPUR MINES (OPERATIONS)
LTD.

DOCUMENT: **AFFIDAVIT #6 OF MICHAEL BEYER**

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AFFIDAVIT #6 OF MICHAEL BEYER

SWORN AUGUST 23, 2021

I, Michael Beyer, of the City of Palm Beach Gardens, in the State of Florida, **MAKE OATH AND SAY THAT:**

1. I am the Chief Executive Officer (“**CEO**”) of Vista Energy Holdings LLC (“**VE Holdings**”), the parent corporation of Coalspur Mines (Operations) Ltd. (“**Coalspur**”). I have been CEO of VE Holdings and a related company, Vista Energy Resources LLC (“**VE Resources**”), since February 2019. As CEO of VE Holdings, I am responsible for overseeing, among other things, all coal mining operations of Coalspur and other subsidiaries of VE Holdings. Prior to my roles at VE Holdings and VE Resources, I served as President and CEO of Foresight Energy Inc, an Illinois Basin coal producer, and as President of AEP Coal Inc, a Columbus, Ohio based coal

producer. I have held both finance and engineering positions related to the mining industry at PNC Bank and BethEnergy. I hold a Bachelor of Science in mining engineering from Pennsylvania State University, and a Master of Business Administration from Duquesne University.

2. As such, I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I have stated the source of my information and, in all such cases, I believe such information to be true.

3. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Amended and Restated Initial Order of the Honourable Madam Justice Shelley, granted May 6, 2021 (the “**ARIO**”).

4. I swear this Affidavit in support of an application by Coalspur for order:

(a) extending the Stay Period up to and including December 15, 2021, or such further and other date as this Honourable Court considers appropriate; and

(b) such further and other relief as counsel may request and this Honourable Court may grant.

A. Update since the Amended Initial Order

5. On April 26, 2021 (“**Filing Date**”), Coalspur obtained protection from its creditors under the CCAA pursuant to an Initial Order of this Court (the “**Initial Order**”). The Initial Order was amended and restated and the ARIO was granted on May 6, 2021. The Stay Period is currently set to expire in the CCAA proceedings on September 3, 2021.

6. On August 9, 2021, this Court approved a claims process (the “**Claims Process**”) to determine the nature, quantum, and validity of claims against Coalspur and its current and former

directors and officers (the “**Claims Process Order**”). The Claims Process Order established a Claims Bar Date of September 23, 2021 and a Subsequent Claims Bar Date of the later of (i) the Claims Bar Date, and (ii) 5:00 pm (mountain time) on the day which is 15 days after the date on which the agreement in question was disclaimed or resiliated.

7. Since the last extension to the Stay Period was granted by the Court on July 9, 2021, Coalspur has, among other things:

- (a) obtained the Claims Process Order and, in conjunction with the Monitor, worked diligently to administer the Claims Process in accordance with the terms thereof;
- (b) engaged in discussions with key stakeholders regarding restructuring terms, and commenced development of a CCAA plan of compromise or arrangement;
- (c) continued discussions with a significant number of suppliers, creditors, and royalty holders regarding these proceedings, the status of such party’s accounts receivable/payable with Coalspur, and the continuing supply of goods and/or services during these proceedings;
- (d) engaged with the Alberta Energy Regulator (the “**AER**”) regarding the current CCAA proceedings, Coalspur’s regulatory obligations, and its ongoing commitment to meeting same;
- (e) worked with the Monitor to prepare updated cash flow forecasts;
- (f) provided, and continues to provide, all required reporting to the Interim Lender in accordance with Interim Lender Term Sheet and the Definitive Documents;

- (g) obtained an order approving a settlement agreement between Coalspur and a former counterparty to a disclaimed agreement, Ridley Terminals Inc. (“RTI”), including the releases granted thereunder, which dispute was originally scheduled to be heard by this Court on July 9, 2021;
- (h) addressed the operational and financial issues caused by the wildfires in British Columbia in early July 2021 which impacted and closed rail lines, thereby temporarily limiting Coalspur’s ability to export its coal production and generate revenue, including obtaining an order increasing the interim financing approved under the ARIO from USD\$26 million to USD\$56 million (although the increase was never drawn by Coalspur as rail lines reopened before such additional liquidity was required); and
- (i) operated the business in the normal course with a view to maximizing the value of Coalspur for the benefit of all stakeholders.

8. In addition to the foregoing, since the last extension to the Stay Period, Coalspur has been working diligently with Cline Trust Company LLC (“CTC”) to negotiate an extension of the December 31, 2021 maturity date of all obligations owing by Coalspur to CTC pursuant to a Secured Promissory Note, dated March 31, 2019, as amended, and a Secured Working Capital Promissory Note, dated June 19, 2019, as amended (the “Notes”). As at August 19, 2021, such obligations total the aggregate principal amount of approximately USD \$297.9 million. Discussions between Coalspur and CTC regarding the requested extension remain ongoing.

B. Extension of the Stay of Proceedings

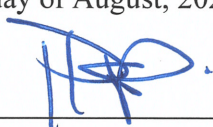
9. Coalspur is seeking to extend the Stay Period up to and including December 15, 2021. Coalspur believes that the extension of the Stay Period is necessary and appropriate in the

circumstances to (i) allow the Claims Process to be completed in accordance with the Claims Process Order, (ii) provide Coalspur with the necessary breathing room to continue its ongoing engagement with key stakeholders regarding restructuring terms and development of a CCAA plan of compromise or arrangement, and (iii) apply for an order authorizing it to call, hold and conduct a meeting of creditors to consider and vote on resolutions to approve the CCAA plan of compromise or arrangement.

10. Coalspur has acted, and continues to act, in good faith and with due diligence in these CCAA proceedings. Since the granting of the Initial Order, Coalspur has been working diligently to administer the Claims Process and develop a plan of compromise or arrangement. In addition, Coalspur has been working with CTC to negotiate an extension to the maturity date under the Notes, has settled a significant dispute with RTI (and obtained Court approval of such settlement), and has continued to engage regularly with a broad range of stakeholders, including CTC (as Interim Lender), the AER, and a significant number of suppliers, creditors, and royalty holders.

11. I understand that the Monitor will file a report (the "**Monitor's Sixth Report**") which will include, among other things, a cash flow forecast demonstrating that, subject to the underlying assumptions contained therein, Coalspur will have sufficient funds to continue its operations and fund these CCAA proceedings through December 15, 2021.

SWORN BEFORE ME at the Town of Hinton, in the Province of Alberta, this 23rd day of August, 2021.



Commissioner for Oaths in and for the Province of Alberta



Michael Beyer

