

COURT FILE NO. 25-2965622

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C C-8, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

APPLICANTS MANTLE MATERIALS GROUP, LTD.

DOCUMENT **SUPPLEMENTAL AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File No. A171561

Attention: Tom Cumming / Sam Gabor / Stephen Kroeger

AFFIDAVIT OF BYRON LEVKULICH

SWORN ON AUGUST 11, 2023

I, Byron Levkulich, of the City of Denver, in the State of Colorado, United States, **MAKE OATH AND SAY THAT:**

1. I am a director of the applicant, Mantle Materials Group, Ltd. (“**Mantle**”) and have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true. I am also a Principal with Resource Land Holdings, LLC (“**RLH LLC**”), which manages private equity funds which in invest in land resources and is based in Denver, Colorado. Mantle is an indirect, wholly owned subsidiary of these funds.
2. I am authorized to swear this Affidavit as a corporate representative of Mantle.

3. In preparing this Affidavit, I have consulted with Mantle's management team together with the legal, financial and other advisors of Mantle. I have also reviewed the business records of Mantle relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

I. STATUS OF PROCEEDINGS

5. On August 8, 2023 the Honourable Justice Campbell granted an order which, among other things:
 - (a) extended the time within which Mantle is required to file a proposal to their creditors with the receiver, under section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) to 5:00 p.m. MST on Friday, August 18, 2023;
 - (b) adjourned the within application to Tuesday, August 15, 2023 at 2:00 p.m. MST (the "**Application**"); and
 - (c) requires any interested party who intends to file materials in reply to the Application to file such materials on or before 12:00 p.m. (noon) on Friday, August 11, 2023, failing which such materials will not be considered without leave of the Court.
6. This Affidavit is supplemental to my Affidavit sworn August 7, 2023 (the "**August 7 Affidavit**") and the Affidavit of Cory Pichota sworn August 8, 2023 (the "**August 8 Affidavit**"), and is intended to update this Honourable Court in connection with the activities of Mantle since August 8, 2023, and to address certain arguments raised by Travelers Capital Corporation ("**Travelers**") in its Bench Brief filed on August 8, 2023 (the "**Travelers Brief**"), namely whether operations during the Proposal Proceedings will be economic, and whether the equipment subject to the purchase-money security interest in favour of Travelers (the "**Travelers Security**", and such equipment, the "**Travelers Equipment**") is subject to the requirement set out in the 2019 decision of the Supreme Court of Canada in *Orphan Well Association v. Grant Thornton Ltd.* that regulatory

environmental obligations must be satisfied prior to any distributions being made to secured or unsecured creditors.

II. ONGOING AND UPCOMING PROJECTS AND RECLAMATION ACTIVITIES

Projects

7. Mantle has a number of projects that are currently underway or will begin in the short term which will generate significant revenue to continue Mantle's operations. In particular, Mantle is currently selling aggregate to: (i) Accurate Industries; (ii) AMC Oilfield; and (iii) E Construction Ltd. (collectively, the "**Current Projects**"). Sales pursuant to the Current Projects are sourced from the Mantle aggregate pits known as the Oberg Pit (the "**Oberg Pit**") and the Havener Pit (the "**Havener Pit**" and together with the Oberg Pit, the "**Aggregate Pits**").
8. In addition, Mantle has entered into agreements for the sale of aggregate with Cenovus Energy Inc. (the "**Cenovus Agreement**") and Leducor Highways Ltd. (the "**Leducor Agreement**" and with the Cenovus Agreement, the "**Upcoming Projects**"). Under the Cenovus Agreement, Mantle is scheduled to begin selling aggregate on August 22, 2023 and under the Leducor Agreement, Mantle is scheduled to begin selling aggregate on August 31, 2023. Copies of the Cenovus Agreement and the Leducor Agreement are attached hereto as **Exhibit "A"** and **Exhibit "B"** respectively.
9. FTI Consulting Canada Inc., in its capacity as proposal trustee of Mantle (in such capacity, the "**Proposal Trustee**") prepared in conjunction with Mantle's management 12-week cash flow projections for the period between July 29, 2023 and October 20, 2023 (the "**Second Cash Flow Projections**"). The Proposal Trustee filed the Second Cash Flow Projections on August 4, 2023.
10. Subsequently, it was discovered that the excel spreadsheet underlying the Second Cash Flow Statements had a formula error which resulted in the royalties payable on the sale of aggregate being over-stated by \$873,056 for that 12-week period. Further, in the Travelers Brief, Travelers expressed the concern that operations during the 13-week period in the Original Cash Flow Projections would result in a net loss. Because of the royalty error,

and because only a portion of the cash receipts from the operations during the 13-week period would be received in that period, management of Mantle worked with the Proposal Trustee to prepare revised cash flow projections for the 21-week period between August 4, 2023 and December 29, 2023 (the “**ThirdCash Flow Projections**”). The Third Cash Flow Projections reflect the cash receipts and operating disbursements throughout the entire duration of the Current Projects and the Upcoming Projects and correct royalty error. A copy of the Revised Cash Flow Projections are attached hereto as **Exhibit “C”**.

11. The Third Cash Flow Projections state that the aggregate cash receipts during the 21-week period from post-filing sales is projected to be approximately \$4,044,230, and the aggregate collections of accounts receivable in that period is projected to be approximately \$697,396. Hence, the total projected cash receipts for the 21-week period in the Revised Cash Flow Projections is \$4,521,626.
12. The Revised Cash Flow Projections also project total operating disbursements of \$492,446, of which \$456,369 was for payroll and source deductions, \$363,126 was for royalties, \$1,646,724 was for trucking and fuel, and \$1,634,180 was for reclamation obligations relating to the inactive Aggregate Pits as set out in the EPOs. Management of Mantle intends to attempt to sell the active Aggregate Pits to appropriate parties on the basis that they assume the Reclamation Obligations.

Reclamation Activities

13. In or about March 2021 Mantle received the Environmental Protection Orders (collectively, the “**EPOs**” and individually, an “**EPO**”) pursuant to the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 and the *Code of Practice for Pits*. Mantle has completed significant reclamation work pursuant to the EPOs and the remaining work required for the EPOs includes, among other things:

- (a) Kucy EPO-EPEA-35659-03 – Mantle is required to complete dewatering and deconstruction of the waterbody, recontouring activities and replacement of topsoil, seeding of the topsoil and are subject to ongoing monitoring and assessment;
- (b) Havener EPO-EPEA-35659-04 – reclamation work has been completed by Mantle and Mantle has requested the EPO to be closed;
- (c) Megley EPO-EPEA-35659-02 – Mantle is required to complete oversized rock disposal and are subject to ongoing monitoring and assessment;
- (d) O’Kane EPO-EPEA-35659-06 – Mantle has requested approval for an updated activities plan and *Water Act* approval for reclamation work completed;
- (e) Buksa EPO-EPEA-35659-05 – Mantle is required to complete oversized rock disposal and are subject to ongoing monitoring and assessment;
- (f) SML 930040 EPO-EPEA-35659-08 – Mantle is required to complete weed management and ongoing maintenance in addition to ongoing monitoring and assessment;
- (g) SML060060 EPO-EPEA-35659-07 / EO-WA-35659-01 (under the *Water Act*) – Mantle is required to remediate the waterbody-backfilling, recontour the constructed waterbody, complete any remaining reclamation activities including final fill, final recontouring, final topsoil placement and seeding and are subject to ongoing monitoring and assessment;
- (h) SML 120027 EPO-EPEA-35659-10 – Mantle is required to complete weed management and are subject to ongoing monitoring and assessment.

Copies of the EPOs are attached hereto as **Exhibit “D”**.

14. According to the terms of the EPOs and the EPO Status Report dated October 28, 2022 (the “**Status Report**”) Mantle is, in the near term, required to complete certain reclamation obligations which are more particularly set out in the Affidavit of Byron Levkulich sworn August 7 Affidavit and was attached thereto as Exhibit “V”.

15. Mantle has completed a substantial amount of the reclamation obligations on the Pits pursuant to the EPOs; however, Mantle continues to, and is required to complete work to ensure that the reclamation obligations are completed (the “**Reclamation Activities**”). In particular, Mantle is negotiating an agreement with Location Cats Ltd. (the “**Location Cats Agreement**”) to continue reclamation work on the Kucy Pit beginning the week of August 14, 2023. The reclamation costs for all active Mantle pits are part of progressive reclamation activities as while the gravel source is mined progressive reclamation activities occur which in turn lowers the cost of having to reclaim the pit prior to mining out the remaining pit run and reclaiming over any existing pit run. A copy of a summary of the costs of the Reclamation Activities is attached hereto as **Exhibit “E”**. The costs relating to the inactive Aggregate Pits is projected to be \$1,678,308 and the costs relating to the active Aggregate Pits is estimated to be \$1,874,872.

Employees

16. In order to complete the Current Projects, the Upcoming Projects and the Reclamation Activities, Mantle will require approximately 8 to 10 employees to work at the Aggregate Pits. The employees are required to:
- (a) operate weigh scales;
 - (b) load sales for customers;
 - (c) coordinate dump sites and monitor truck hauling;
 - (d) process scale tickets;
 - (e) invoice customers;
 - (f) complete payroll;
 - (g) install water pumps to begin dewatering during Reclamation Activities;
 - (h) maintain and service water pumps and other equipment to complete the Reclamation Activities; and
 - (i) complete additional administrative tasks.

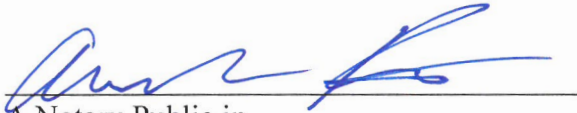
17. I am advised by Cory Pichota, President and Chief Operating Officer of Mantle that the employees are essential to Mantle's ongoing operations and completion of the Current Projects and the Upcoming Projects.
18. Mantle's employees are essential to transporting, securing and dismantling equipment secured to Travelers at Mantle's Bonnyville, AB equipment yard. I have reviewed the Royal Canadian Mounted Police crime statistics and understand that Bonnyville, AB has an elevated property crime rate. Attached hereto and marked as **Exhibit "F"** is the Royal Canadian Mounted Police property crime indicator offence count for the periods January to March 2022 to March 2023 in Bonnyville, AB.

II. INCREASE IN INTERIM FINANCING

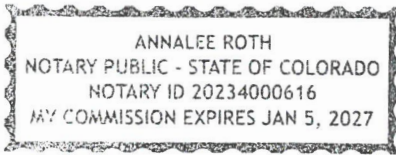
19. Based on the Revised Cash Flow Projections, the aggregate amount required by Mantle for interim financing will be \$2,200,000. The Original Cash Flow Projections projected that Mantle would require an aggregate of \$1,400,000, but the timing of significant expenditures, which would be incurred prior to the cash receipts from operations and accounts receivable, required additional financing. If interim financing in the aggregate amount of \$2,200,000 is not approved, Mantle will be unable to fund and complete the Current Projects and Upcoming Projects and continue the Reclamation Activities, which will be detrimental to the public, its creditors and other stakeholders. Attached hereto and marked as **Exhibit "G"** is a copy of the updated Interim Loan Agreement (as such term is defined in the Levkulich Affidavit) and a comparison from the original Interim Loan Agreement to the updated Interim Loan Agreement is attached as **Exhibit "H"**.
20. On August 9, 2023 RLH LLC advanced approximately \$25,060.74 to Mantle to fund its payroll, notwithstanding that the interim financing facility had not yet been approved by this Honourable Court and the charge had not yet been granted. Mantle did this because in consultation with Mantle's management, I believed that if the employees were not paid this week, they would likely resign immediately. In that event, the completion of the Current Projects, the Upcoming Projects, the Reclamation Activities and the Equipment Project would be impossible. In addition the Equipment would be extremely vulnerable to theft or damage.

19. I swear this Affidavit in support of an Application for the relief set out in paragraph six of the Levkulich Affidavit and in response to the Affidavit of Warren Miller sworn August 4, 2023 and the Brief of Law of Travelers Capital Corp. filed in these proceedings.

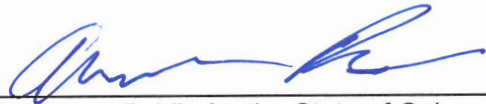
Sworn before me at the City of Denver, in the ^{State} Province of ~~Alberta~~ ^{Colorado}, on this 11th day of August, 2023


A Notary Public in
and for the State of Colorado

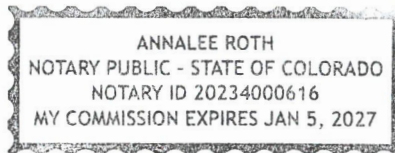
} 
Byron Levkulich



This is **Exhibit "A"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado





Agreement # CW2374309

**CENOVUS
GOODS AND SERVICES AGREEMENT**

THIS AGREEMENT made the 19th day of May, 2023 BETWEEN:

Cenovus Energy Inc., of the City of Calgary, in the Province of Alberta ("Cenovus")

- and -

Mantle Materials Group Ltd. of the City of Bonnyville, in the Province of Alberta ("Contractor")

WHEREAS, Cenovus desires to have certain services performed or certain goods provided, or both, and Contractor is willing to perform the services or provide the goods, or both, in accordance with the terms of this Agreement;

THEREFORE, the parties agree as follows:

DEFINITIONS:

For the purposes of this Agreement:

"Amendment" means a document duly executed by both parties revising any of the terms of this Agreement, including any of the Schedules.

"Affiliate" means any Person who:

- (i) controls either directly or indirectly a party; or
- (ii) is controlled directly or indirectly by such party; or
- (iii) is directly or indirectly controlled by a Person who directly or indirectly controls such party.

"Cenovus Policies" means the Cenovus Supplier Code of Business Conduct, and such other policies and practices set out in the Suppliers section of the Cenovus website: www.cenovus.com and such other policies and practices and amendments, as are identified by Cenovus to Contractor from time to time.

"Change Order" means a document duly executed by both parties revising the scope of work, the amount payable under this Agreement, or the schedule for the performance of the Service or delivery of the Goods.

"Claims" means, any and all actions, proceedings, claims, demands, losses, costs, damages, liabilities, levies, charges, penalties, fines, remedial obligations, interest, legal and other expenses of whatever nature, including legal fees on a solicitor-client basis.

"Control" and related terms including "controlling" and "controlled" shall mean the possession, direct or indirect of:

- (a) in the case of a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; and
- (b) in the case of a partnership (general or limited), joint venture or other Person, either:
 - (i) the power to exercise more than 50% of the voting rights in such Person; or



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- (ii) the power to cause the direction of the management and policies of such Person.

"Law(s)" means all applicable federal, provincial, state, territorial and municipal laws, by-laws, statutes, regulations, rules, orders, ordinances, directives, permits, standards, codes and licenses.

"Person" (for the purpose of the definitions of "Affiliate" and "Control" only) shall include an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

"Representatives" means the employees, subcontractors, suppliers, contractors, agents, invitees and any other representatives of a party.

1. GOODS AND SERVICES:

- (a) Cenovus hereby retains Contractor for the purpose of performing such work and services (the "Services"), or providing certain goods, equipment and materials (the "Goods"), or both:
 - (i) the scope of which, and rates and prices for such, are set forth in Schedule 1; or
 - (ii) which may be specified by Cenovus pursuant to written instructions given by Cenovus to Contractor from time to time during the term of this Agreement in the form of an Amendment or Change Order.
- (b) Cenovus reserves the right to issue a Change Order to Contractor to remove the performance of any of the Contractor's obligations under this Agreement, or where there is an agreed change to the amount payable, or the schedule, or both.
- (c) If different or additional Goods or Services outside of the scope of Schedule 1 are required by Cenovus, Contractor shall provide pricing to provide such Goods or perform such Services. The price to provide such Goods or complete such Services must be agreed upon and approved in writing by Cenovus as an Amendment or a Change Order prior to such Goods being provided or work commencing on such Services. If written approval from Cenovus is not provided and the change is not formalized in an Amendment or a Change Order, Cenovus reserves the right to refuse payment for such Goods or Services.

2. TERM:

The term of this Agreement shall commence on the date first written above, and continue until May 18, 2024, unless terminated earlier in accordance with Clause 11. Any Services that are not completed at the end of the term will continue to be governed by this Agreement.

3. RATES AND PRICES:

- (a) Cenovus shall pay Contractor the amounts set forth in an attached rate and price schedule or, if no such schedule is attached, the amounts shown in Schedule 1. Unless otherwise agreed in writing, the prices and rates payable by Cenovus are not subject to escalation, and are to remain fixed for the term of this Agreement.
- (b) No change in the rates or prices shall be effective until the change is formalized in a Change Order.
- (c) Cenovus may request rates and prices discounted from those set out in Schedule 1 based on a special project or a particular scope of work.



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- (d) The rates and prices as stated in this Agreement are gross of any applicable withholding taxes that may be imposed by any governmental authority, including any country from which payment of such rates and prices may be made. It is the responsibility of Contractor to comply with applicable legislation and compliance requirements, and, if applicable, apply for a refund of this withholding from the Canada Revenue Agency. Contractor will provide Cenovus with copies of such documentation as is necessary to establish the amount of taxes or other charges withheld in connection with such payment.
- (e) Contractor shall extend the rates and prices payable by Cenovus under this Agreement to those Affiliates of Cenovus, and other contractors of Cenovus nominated in writing by Cenovus to Contractor. Such rates and prices shall only apply to Goods or Services that those other contractors are providing to Cenovus and its Affiliates.
- (f) All dollar amounts in this Agreement and the Schedules are expressed in Canadian currency, unless otherwise stated in Schedule 1.
- (g) Unless otherwise agreed by Cenovus, if Contractor has additional agreements in place with Cenovus or its Affiliates involving the provision of the Good or Services at rates or prices lower than the rates or prices set out in Schedule 1 then such lower rates and prices shall be substituted for the amounts payable by Cenovus under this Agreement from the effective date of such lower rates and prices and for the duration of such lower rates and prices.

4. SUPPLY OF GOODS:

If Goods are supplied under this Agreement:

- (a) Contractor warrants that all Goods have been produced, sold, delivered and furnished in strict compliance with all applicable Laws of any authority having jurisdiction over the provision of the Goods. Contractor shall execute and deliver to Cenovus any documents required to effect such compliance.
- (b) Contractor warrants that the Goods:
 - (i) will conform to the specifications, drawings or other descriptions approved by Cenovus, and will perform as specified therein;
 - (ii) will be new, of good material and workmanship and be free from defects in design, materials and workmanship, reasonably fit for the purpose intended, notwithstanding that the Goods are described by a patent or trade name; and
 - (iii) be free of any liens, encumbrances or Claims and Contractor has full right and authority to sell the Goods as specified;
- (c) Contractor shall, at its expense, either repair, or at Cenovus's option, replace, any of the Goods furnished hereunder and accepted by Cenovus in which defects in workmanship, materials or design are discovered within twelve (12) months after operational start-up or within eighteen (18) months after delivery, whichever occurs first. At Cenovus's option, Contractor shall repair or bear the cost of repairing any damage caused by any such defect. Repairs shall be done at Cenovus's convenience and, at Cenovus's option, on its premises unless the repairs are of such of a nature as to require repair facilities that cannot be made available on Cenovus's premises. Contractor shall re-perform any performance tests that may be required for the achievement of any performance guarantees. All repairs shall be done expeditiously and within a time frame acceptable to Cenovus. All expenses attendant upon such repair or replacement, including any freight, custom duties, and brokerage fees shall be for Contractor's account. The foregoing



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warranties shall apply to all repairs or replacements. Contractor shall assign to Cenovus all subsisting assignable warranties relating to the Goods. If any such warranties are not assignable, Contractor will take such action, at its own expense, as Cenovus may reasonably request to enforce any such warranties.

- (d) The warranty period in Clause 4(c) shall be extended by the time during which any of the Goods supplied were out of service by reason of defects which Contractor is required to repair or replace.
- (e) Contractor's obligation to repair or replace shall extend to defects which were revealed or should have been revealed on Cenovus's examination prior to acceptance.
- (f) The obligations set forth in Clause 4(c) do not apply to:
 - (i) Goods that have been modified or subjected to improper handling, storage, installation, operation or maintenance by Cenovus, including use of unauthorized replacement parts; and
 - (ii) Parts requiring replacement because of normal wear and tear.
- (g) All packaging and transportation costs and charges relating to Goods supplied are for Contractor's account unless otherwise specified in writing in this Agreement.
- (h) Goods supplied in error or in excess of the amounts ordered may be returned by Cenovus to Contractor. Contractor shall pay all shipping and return freight costs and shall reimburse Cenovus for such items.
- (i) The Goods shall be subject to expediting by Cenovus or its representatives. Cenovus's representatives shall be allowed reasonable access to Contractor's facilities and those of its suppliers and contractors for expediting purposes. At Cenovus's request Contractor shall supply manufacturing and delivery schedules and progress reports for Cenovus's use in expediting.
- (j) Cenovus or its representatives shall have the right to inspect the Goods at any reasonable time during the performance of the Agreement, to perform final inspections and to reject non-conforming Goods at any time. Any such inspection shall not relieve Contractor of any of its obligations under this Agreement.
- (k) Unless otherwise agreed in writing:
 - (i) Where Goods are transported on behalf of, or under the care and control of Contractor, delivery, title and risk of loss will pass to Cenovus DDP Cenovus's site (i.e. location to which the Goods are delivered);
 - (ii) Where Goods are transported on behalf of, or under the care and control of, Cenovus, delivery, title and risk of loss will pass to Cenovus FCA Contractor's plant. (i.e. location from which the Goods are shipped).
- (l) With respect to any Goods that are rented or leased by Cenovus from Contractor pursuant to this Agreement, Contractor warrants that such Goods are mechanically sound and in good operating condition. Cenovus shall be responsible for operation of such Goods within the performance parameters specified by Contractor. Contractor shall be responsible for conducting or paying for all items, repairs and tasks related to such Goods that arise out of the foregoing warranty.
- (m) Contractor shall ensure that any Goods provided for use by Cenovus are safe and conform with all Laws applicable to the Goods, including those relating to protection of the environment, health and safety, emergency response, and loss management.



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- (n) Contractor shall provide written instructions and information prescribed by all Laws applicable to the Goods.
- (o) The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Goods provided under this Agreement.
- (p) Any reference in this Agreement to Incoterms is a reference to Incoterms 2010.
- (q) Contractor agrees to accept the return of any Goods that Cenovus identifies as surplus to its requirements, provided that the Goods are in new and resalable condition. Contractor agrees that where an item is normally stocked by Contractor or Contractor's manufacturer, it shall be returned with no re-stocking charge. Items that are not normally stocked by Contractor or Contractor's manufacturer may be subject to a re-stocking charge, provided that this charge is clearly identified in Schedule 1. In the event the scope of what is considered normal stock changes, Contractor must provide Cenovus with written notification advising of the change.
- (r) All Goods shall be properly classified, described, packaged and labeled, including all manuals and instructions documentation, and the delivery documents accompanying the Goods shall include the Purchase Order number, shipping origin, carrier name, and bill of lading number, where applicable. All Goods shall be in proper condition for transportation in accordance with applicable Laws.
- (s) If Contractor fails to commence the repair or replacement of any defective Goods within forty-eight (48) hours of notification by Cenovus, Cenovus shall have the option to take corrective action through other suppliers, and back-charge the expenses incurred to Contractor. At Cenovus's option, such back-charges will be either adjusted against Contractor's pending invoices, or Contractor shall issue a credit note to Cenovus. The back-charge shall consist of all costs incurred by Cenovus in repairing or replacing the defective Goods, including:
 - (i) the cost of labour, equipment and materials;
 - (ii) the cost of subcontractors and suppliers; and
 - (iii) all applicable taxes and duties.
- (t) If Contractor fails to deliver the Goods, or any part thereof, to the location and by the date specified by Cenovus in Schedule 1, Cenovus may, in addition to any other remedies available in law or equity, deduct from the amount otherwise payable to Contractor liquidated damages in the amount set out in Schedule 1 for each week of the delay in delivery, up to the maximum amount set out in Schedule 1. The liquidated damages applicable to delays in delivery for partial weeks shall be determined on a pro rata basis. The parties agree that the amount of liquidated damages which may be deducted by Cenovus are reasonable and constitute a genuine pre-estimate of the damages that Cenovus will likely suffer in the event Contractor fails to deliver the Goods as and when required by this Agreement, and shall not be construed as a penalty.

5. PERFORMANCE OF SERVICES:

If Services are performed under this Agreement:

- (a) Contractor shall, at its sole cost and expense, supply all personnel, labour, services, materials, supplies, tools, equipment, machinery and all other things to be used, directly or indirectly, in the performance of or in connection with the Services, other than such items as Cenovus specifically agrees to furnish, as set out in Schedule 7.



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- (b) Contractor shall perform the Services expeditiously and in a careful, diligent and workmanlike manner, with the standard of care normally exercised by contractors performing similar services in Canada and in accordance with the Contractor's expertise, to Cenovus's reasonable satisfaction and in accordance with the terms of this Agreement, prudent industry practices and procedures and all applicable Laws. If there is any inconsistency between the terms of this Agreement and the requirements of prudent industry practices and procedures, or applicable Laws, Contractor shall comply with the more stringent requirement.
- (c) Contractor shall, after receipt of notice from Cenovus, re-perform any defective Services, or repair, or bear the cost of repairing, any defect caused by the performance or non-performance by Contractor of the Services, at no cost to Cenovus. If re-examination or re-testing of re-performed Services is required, the cost shall be at Contractor's expense. Any re-work required in order to bring the Services into compliance with this Agreement shall be at Contractor's expense.
- (d) The warranty period with respect to the provision of Services shall expire twelve (12) months after the completion of the Services.
- (e) The foregoing warranty period for Services shall be extended by the time during which Cenovus is unable to take advantage of any Services by reason of defects which Contractor is required to re-perform.

6. INVOICING AND PAYMENT:

- (a) Contractor shall submit invoices in accordance with Schedule 2 and with the directions located at: <https://www.cenovus.com/contractor/invoicing-for-suppliers.html>.
 - (i) The invoicing directions referred to in 6(a) are subject to change by Cenovus on reasonable prior notice to Contractor.
- (b) Cenovus shall pay all invoices within twenty-eight (28) days after receipt of a properly submitted invoice. If Cenovus disputes any invoice, Cenovus shall, within twenty (20) days after receipt of such invoice, notify Contractor of the item in dispute, specifying its reasons. Payment of disputed amounts shall be withheld until settlement of the dispute. If Cenovus withholds payment of any amount, Cenovus will pay any remaining invoice amounts when due.
- (c) Payment of any invoice by Cenovus shall not prejudice the right of Cenovus to protest or question the correctness of the invoice for a period of up to two (2) years after the termination or expiry of this Agreement. Failure by Cenovus to object or question charges shall not be deemed to be acceptance of the charges, or an acceptance of defective Goods or Services, nor does such failure preclude Cenovus from subsequently questioning an amount or from conducting an audit pursuant to Clause 16.
- (d) Payments to Contractor are subject to the holdback requirements of any applicable legislation. If the amounts payable under this Agreement are subject to any holdback amount, Contractor shall invoice GST, PST or HST at the statutory rate on the gross value of the invoice. GST, PST or HST is to be calculated and billed on the invoice value, prior to reducing the amount payable by the holdback. No additional GST, PST or HST will be paid by Cenovus when the holdback is released.
- (e) If Cenovus is required to reimburse Contractor for those amounts which Contractor must remit in respect of Canada Pension Plan, Employment Insurance and Workers' Compensation premiums for Services performed by employees of Contractor, then



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Contractor shall, as at December 31st of each year during the term of this Agreement, or, in the event of early termination or expiry of this Agreement, within ninety (90) days of the effective date of such termination or expiry, submit an annual statement to Cenovus which indicates the date on which each of its employees reached the maximum contribution for such premiums. The statement shall also indicate the number of man-hours billed for such employees pursuant to this Agreement, and the amount of any overpayment to Contractor by Cenovus for each category of premiums. Contractor shall refund such overpayment to Cenovus within ninety (90) days of the date of such statement.

- (f) In the event that any new proposed tariffs that will increase the amount payable for the Goods are announced or reasonably become anticipated, Contractor will use its best efforts to deliver the Goods to Cenovus prior to the implementation of such tariffs. In this section, tariffs means any import-related tariffs, duties, surtaxes or other charges including those imposed under the Special Import Measures Act (Canada). Contractor will support Cenovus in any legal or administrative process Cenovus undertakes to reduce such tariffs, or to obtain an exclusion or remission from such tariffs.

7. INDEPENDENT CONTRACTOR:

Contractor is an independent contractor with respect to the performance of its obligations under this Agreement, provided that a representative of Cenovus is at all reasonable times during the term of this Agreement entitled to observe and inspect Contractor in relation to the performance of this Agreement. Nothing in this Agreement shall be construed to constitute Contractor, its Representatives as an employee, agent, partner or joint venture participant of Cenovus. Contractor agrees not to claim the benefit of, or protection under, any law which provides benefit or protection to the employees of Cenovus.

8. HEALTH, SAFETY & ENVIRONMENT:

- (a) For all Services performed in Alberta:
- (i) Cenovus shall be the "prime contractor" at the work site, as that term is defined in Schedule 1, unless otherwise agreed in writing by the parties. The term "prime contractor" means the party responsible for complying with the requirements in section 3 of the Occupational Health and Safety Act (Alberta).
 - (ii) Contractor shall be responsible for health, safety and environmental matters and the application of loss management principles during the performance of the Services. Contractor shall perform the Services in a safe and environmentally responsible manner so as to comply with:
 - (A) all Laws applicable to the Services, including those relating to protection of the environment, health and safety, emergency response and loss management; and
 - (B) the occupational health and safety, environmental and emergency loss management requirements set forth in Schedule 3.
 - (iii) Contractor and its Representatives are responsible for:
 - (A) the occupational health and safety of themselves, their co-workers and other individuals in the vicinity of where the Services are being performed;



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- (B) complying with all safe work permits, safe work plans, and safe work practices and procedures applicable to the performance of the Services;
 - (C) understanding the Laws and requirements identified in Clause 8 (a)(ii)(A); and
 - (D) identifying any hazards or potential hazards associated with the performance of the Services, and taking appropriate measures to manage the risks associated with such hazards.
- (iv) Where a party other than Cenovus is the "prime contractor" for the work site where the Services are to be performed, Contractor shall comply with that party's safety and emergency regulations, guidelines and publications in the performance of the Services.
 - (v) Contractor shall comply with all applicable work practices and procedures prescribed by law, and the processes, practices and policies, including Cenovus Policies, and any alcohol and drug policy, submitted by Contractor to Cenovus, if applicable.
 - (vi) Contractor shall comply with the Workers' Compensation Act and Workers' Compensation Regulation (Alberta) (collectively referred to as the "Act" in this Clause 8(a)), and the provisions of any other legislation relating to the prevention of accidents or diseases, the provision of safe working conditions, and health and safety generally.
 - (vii) Upon request from Cenovus, Contractor shall provide evidence from the WCB that the account of Contractor and any of its subcontractors is in good standing.
 - (viii) Contractor shall pay or cause to be paid any assessment or compensation required to be paid pursuant to the Act. If Contractor fails to do so, Cenovus may pay such assessment or compensation, and deduct the amount paid from monies due or to become due to Contractor.
 - (ix) Contractor shall notify Cenovus if Contractor or any its employees or personnel, or any employee or personnel of any subcontractor retained by Contractor in connection with the Services, does not qualify for coverage under the Act. Cenovus may thereafter report Contractor to the WCB as a "worker", pay the resulting assessment and deduct the amount paid from monies due or to become due to Contractor.
- (b) For all Services performed in Saskatchewan:
 - (i) Cenovus shall be the "prime contractor" at the work site, as that term is defined in Schedule 1, unless otherwise agreed in writing by the parties. Contractor shall keep itself fully informed of all Laws of every relevant jurisdiction which in any manner affects the performance of the Services, or the performance of this Agreement, and of all orders and decrees of bodies, tribunals or agencies having jurisdiction over the same.
 - (ii) Contractor represents and warrants to Cenovus that:
 - (A) it is familiar with all duties and requirements imposed by The Occupational Health and Safety Act, 1993 (Saskatchewan), The Environmental Management Protection Act, 2002 (Saskatchewan), and The Workers Compensation Act, 1979 (Saskatchewan) (referred to as the "Act" in this Clause 8(b)), as well as the applicable regulations, and



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Contractor agrees to fully comply with the requirements set out therein;
and

- (B) it is familiar with and acknowledges having received the policies and procedures adopted by Cenovus from time to time concerning Contractor safety, health, environmental protection, quality, any other Contractor management policies and procedures and any other policies which are generally applicable to this Agreement, including the occupational health and safety, environmental and emergency loss management requirements set forth in Schedule 3 to this Agreement, and Contractor agrees to fully comply with such requirements;
- (iii) Contractor shall be responsible for health, safety and environmental matters and shall at all times observe and comply with all applicable Laws of Canada, Saskatchewan, and any other governmental authority having jurisdiction, in effect at any time during performance of the Agreement, including but not limited to those relating to health and safety, protection of the environment, emergency response, loss management, prevention of accidents or diseases, the provision of safe working conditions and any applicable work practices and procedures prescribed by law;
- (iv) Contractor shall ensure compliance with all the obligations identified in this Agreement for itself and all of its Representatives. Contractor assumes sole responsibility for providing its Representatives with safe equipment and a safe place to work.
- (v) Contractor and its Representatives are responsible for:
 - (A) understanding the laws, regulations, requirements and obligations identified in this Clause 8(b), including the requirements set forth in Schedule 3;
 - (B) the occupational health and safety of themselves, their co-workers and other individuals in the vicinity of where the Services are being performed;
 - (C) complying with all safe work permits, safe work plans, and safe work practices and procedures applicable to the performance of the Services;
 - (D) identifying any hazards or potential hazards associated with the performance of the Services, and taking appropriate measures to manage the risks associated with such hazards; and
 - (E) ensuring that its subcontractors comply with the obligations specified in this Clause 8(b), including the requirements set forth in Schedule 3.
- (vi) Upon request from Cenovus, Contractor shall provide evidence from the Workers' Compensation Board that the account of Contractor and any of its subcontractors is in good standing under the Act.
- (vii) Contractor shall pay or cause to be paid any assessment or compensation required to be paid pursuant to the Act. If Contractor fails to do so, Cenovus may pay such assessment or compensation, and deduct the amount paid from monies due or to become due to Contractor.
- (viii) Contractor shall notify Cenovus if Contractor or any its employees or personnel, or any employee or personnel of any subcontractors retained by Contractor in



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connection with the Services, does not qualify for coverage under the Act. Cenovus may thereafter report Contractor to the Workers' Compensation Board as a "worker", pay the resulting assessment and deduct the amount paid from monies due or to become due to Contractor.

- (c) For all Services performed in British Columbia:
- (i) Cenovus shall be the "prime contractor" at the work site, as that term is defined in Schedule 1, unless otherwise agreed in writing by the parties. The term "prime contractor" means the party responsible for complying with the requirements in section 118 of the Workers Compensation Act and Occupational Health and Safety Regulation (British Columbia).
 - (ii) Contractor shall be responsible for health, safety and environmental matters and the application of loss management principles during the performance of the Services. Contractor shall perform the Services in a safe and environmentally responsible manner so as to comply with:
 - (A) all Laws applicable to the Services, including those relating to protection of the environment, health and safety, emergency response and loss management; and
 - (B) the occupational health and safety, environmental and emergency loss management requirements set forth in Schedule 3.
 - (iii) Contractor and its Representatives are responsible for:
 - (A) the occupational health and safety of themselves, their co-workers and other individuals in the vicinity of where the Services are being performed;
 - (B) complying with all safe work permits, safe work plans, and safe work practices and procedures applicable to the performance of the Services;
 - (C) understanding the laws, regulations and requirements identified in Clause 8(c); and
 - (D) identifying any hazards or potential hazards associated with the performance of the Services, and taking appropriate measures to manage the risks associated with such hazards.
 - (iv) Where a party other than Cenovus is the "prime contractor" for the site where the Services are to be performed, Contractor shall comply with that party's safety and emergency regulations, guidelines and publications in the performance of the Services.
- (d) For all Services performed in Manitoba:
- (i) If the Services are being provided with respect to a construction project, Cenovus shall be the "prime contractor" at the construction project site, unless otherwise agreed in writing by the parties. The term "prime contractor" means the party responsible for complying with The Workplace Safety and Health Act (Manitoba) and all applicable regulations.
 - (ii) Contractor shall be responsible for workplace safety and health and environmental matters and the application of loss management principles during the performance of the Services. Contractor shall perform the Services in a safe and environmentally responsible manner so as to comply with:



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- (A) all Laws applicable to the Services, including those relating to protection of the environment, health and safety, emergency response, workplace and loss management; and
- (B) the workplace safety and health, environmental and emergency loss management requirements set forth in Schedule 3.
- (iii) Contractor and its Representatives are responsible for:
 - (A) the workplace safety and health of themselves, their co-workers and other individuals in the vicinity of where the Services are being performed;
 - (B) complying with all safe work permits, safe work plans, and safe work practices and procedures applicable to the performance of the Services;
 - (C) understanding the laws, regulations and requirements identified in Clause 8(d); and
 - (D) identifying any hazards or potential hazards associated with the performance of the Services, and taking appropriate measures to manage the risks associated with such hazards.
- (iv) Where a party other than Cenovus is the "prime contractor" for the construction project site where the Services are to be performed, Contractor shall comply with the applicable work practices and procedures prescribed by applicable Law, including regarding workplace safety and health, and that party's safety and emergency regulations, guidelines and publications in the performance of the Services. If the Contractor has any concerns with respect to safety and emergency regulations, guidelines and publications, the Contractor shall forthwith notify Cenovus of such concerns.
- (e) For all Services performed in Ontario:
 - (i) Contractor shall be the "constructor" within the meaning of the Occupational Health and Safety Act (Ontario) and all applicable regulations ("OHSA") and shall be solely responsible for the duties, liabilities and responsibilities of the "constructor" under the OHSA on each and every site where the Services are to be performed. Contractor hereby accepts the responsibilities and designation as "constructor" under the OHSA on each site to which Services are to be performed.
 - (ii) Prior to commencement of the work under this Agreement, Contractor shall submit to Cenovus:
 - (A) documentation of a valid Workplace Safety and Insurance Board clearance certificate; and
 - (B) documentation of the Contractor's in-house safety-related programs.
 - (iii) Prior to the commencement of the work for each site to which Services are to be performed, Contractor shall submit to Cenovus a copy of the Notice of Project filed with the Ministry of Labour.
 - (iv) Contractor hereby represents and warrants to Cenovus that appropriate health and safety instruction and training have been provided and will be provided to Contractor's Representatives and anyone for whom Contractor is responsible, before the work under this Agreement is commenced and agrees to provide to Cenovus, if requested, proof of such instruction and training.



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- (v) Contractor shall tour the appropriate area to familiarize itself with the site to which the Services are to be performed prior to commencement of the work.
- (vi) Contractor shall never work in a manner that may endanger anyone.
- (vii) Contractor shall ensure that all of its Representatives, Cenovus's employees and representatives attending the site, and other third party contractors are fully acquainted with the applicable requirements of the OHSA, the safety rules of Contractor, and all other applicable laws, statutes and regulations. In addition, Contractor shall ensure that all of its Representatives, Cenovus employees and representatives attending the site, and third party contractors are and remain in full compliance with the applicable OHSA and Contractor requirements prior to the commencement of the work under this Agreement and at all times during which the work is performed.
- (viii) Contractor shall be responsible for health, safety and environmental matters and the application of loss management principles during the performance of the Services. Contractor shall perform the Services in a safe and environmentally responsible manner so as to comply with:
 - (A) all Laws applicable to the Services, including those relating to protection of the environment, health and safety, emergency response and loss management; and
 - (B) the occupational health and safety, environmental and emergency loss management requirements set forth in Schedule 3.
- (ix) Contractor and its Representatives are responsible for:
 - (A) the occupational health and safety of themselves, their co-workers and other individuals in the vicinity of where the Services are being performed;
 - (B) complying with all safe work permits, safe work plans, and safe work practices and procedures applicable to the performance of the Services;
 - (C) understanding the laws, regulations and requirements identified in Clause 8(e); and
 - (D) identifying any hazards or potential hazards associated with the performance of the Services, and taking appropriate measures to manage the risks associated with such hazards.
- (x) Contractor shall during the performance of the Services comply with all applicable work practices and procedures prescribed by law, and the processes, practices and policies, including Cenovus Policies, and any alcohol and drug policy, submitted by Contractor to Cenovus, if applicable.
- (xi) Contractor shall comply with the Workplace Safety and Insurance Act (Ontario) and all applicable regulations (collectively referred to as the "Act" in this Clause 8 (e)), and the provisions of any other legislation relating to the prevention of accidents or diseases, the provision of safe working conditions, and health and safety generally.
- (xii) Upon request from Cenovus, Contractor shall provide evidence from the Board that the account of Contractor and any of its subcontractors is in good standing.



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- (xiii) Contractor shall pay or cause to be paid any assessment or compensation required to be paid pursuant to the Act. If Contractor fails to do so, Cenovus may pay such assessment or compensation, and deduct the amount paid from monies due or to become due to Contractor.
- (xiv) Contractor shall notify Cenovus if Contractor or any of its employees or personnel, or any employee or personnel of any Subcontractor retained by Contractor in connection with the Services, do not qualify for coverage under the Act. Cenovus may thereafter report Contractor to the Board as a "worker", pay the resulting assessment and deduct the amount paid from monies due or to become due to Contractor.
- (f) If at any time during the performance of this Agreement, Cenovus in its sole discretion is of the opinion that any aspect of the Services is not being performed by Contractor in accordance with safe or environmentally sound work practices, Cenovus has the right, by notice to Contractor, to require Contractor to stop the performance of the Services. Upon the issuance of such a notice by Cenovus, the following provisions shall apply:
 - (i) Contractor shall stop the performance of the Services immediately;
 - (ii) Contractor shall immediately implement safety measures in connection with the Services that are in accordance with safe work procedures or environmentally sound practices and are acceptable to Cenovus in its sole discretion, with such safety measures to include the implementation of procedures to prevent the reoccurrence of any unsafe work conditions or unsound environmental practices;
 - (iii) Contractor shall not re-commence the performance of the Services until Cenovus has notified Contractor that it is allowed to re-commence the performance of the Services;
 - (iv) Contractor shall not be entitled to any reimbursement or payment whatsoever, whether for time and materials charges, standby rates, or any other charges, for the period of time that the Services has been stopped in accordance with this Clause 8; and
 - (v) nothing in this Clause relieves Contractor from its obligations under this Agreement, including its obligation to ensure that it and all of its Representatives perform the Services in a safe and environmentally sound manner and its obligation to monitor the work being done by it and its Representatives for safety and environmental matters.
- (g) Without limiting any other right or remedy which Cenovus may have at law or under this Agreement, failure on the part of Contractor to comply with the requirements set forth in this Clause 8 or Schedule 3 shall entitle Cenovus to terminate this Agreement on twenty-four (24) hours written notice to Contractor.
- (h) When delivering Goods to, or performing Services at a Cenovus site, Contractor shall comply with all work practices, Policies and directions of Cenovus, including those relating to prime contractor responsibilities.
 - (i) Cenovus reserves the right to revise the applicable HSE Schedule and site specific HSE Requirements upon written notice to Contractor.



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9. CONFIDENTIALITY, OWNERSHIP AND INTELLECTUAL PROPERTY:

- (a) All information acquired by Contractor from Cenovus, or its Affiliates, together with all Documentation (as defined in Clause 9 (e), including specifications, drawings and other data, not already in the public domain, or later put into the public domain by Cenovus, is confidential (the "Confidential Information"). Confidential Information shall not be disclosed to third parties by Contractor, or used by Contractor for any purpose other than performing its obligations under this Agreement, without the prior written consent of Cenovus, unless required to be disclosed by applicable Law. Confidential Information in tangible or electronic form shall be re-delivered to Cenovus upon request.
- (b) Confidential Information is the exclusive property of Cenovus. If Contractor conceives of, reduces to practice, or develops any inventions, discoveries or improvements as a result to the use of Cenovus's Confidential Information ("Proprietary Information"), Contractor shall assign all of its right, title and interest in such Proprietary Information to Cenovus.
- (c) Such obligation of confidentiality shall not apply to information:
 - (i) which at the time of disclosure is in the public domain;
 - (ii) which after disclosure is published or otherwise becomes part of the public domain through no fault of Contractor or any of its Representatives (but only after it is published or otherwise becomes part of the public domain);
 - (iii) not subject to any confidentiality obligations, and which Contractor can show was in its possession prior to disclosure hereunder;
 - (iv) which Contractor can show was received after the time of disclosure hereunder from a third party who did not require that it be held in confidence and who did not, to Contractor's knowledge, acquire it, directly or indirectly, from Cenovus or a third party under an obligation of confidence; or
 - (v) which was independently developed and Contractor can provide written evidence thereof.
- (d) Contractor shall comply with any other reasonable confidentiality requests of Cenovus, which may include execution of a confidentiality agreement.
- (e) All documentation, analysis, compilations, studies, reports, data, charts, digital media, drawings, sketches, calculations, correspondence, maps or other information developed, prepared or compiled by Contractor for Cenovus or its Affiliates in providing the services ("Documentation") shall be Cenovus' exclusive property for use by Cenovus without limitation. Contractor hereby assigns (and shall cause its Representatives to assign) all intellectual property rights, including any trade secret, trademark, copyright, patent, confidential know-how, moral rights and any other ("Intellectual Property") rights in such Documentation, to or in favour of Cenovus. Contractor further waives any right to assert any rights whatever respecting such Documentation and Intellectual Property. Contractor shall deliver all such Documentation to Cenovus immediately upon completion of any Services, or at any other time upon request by Cenovus and shall execute all documents required to give effect to the assignment of Intellectual Property rights referred to above.
- (f) If Contractor and its Representatives, or any of them, make or develop an invention, discovery, design, modification, enhancement, improvement, patented, patentable or copyrightable work (collectively, the "Invention"), in the course of performing the Services hereunder, Contractor shall:



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- (i) Promptly disclose to Cenovus full details thereof to enable Cenovus to assess the Invention;
 - (ii) Hold all such Inventions in trust for Cenovus, which Inventions shall be deemed to be the property of Cenovus, and shall at the request and expense of Cenovus do any and all things necessary (including, without limitation, assign and waive all Intellectual Property rights therein) to enable Cenovus or its nominee to obtain the benefit thereof and to obtain appropriate Intellectual Property or other protection therefore; and
 - (iii) Refrain (except as provided herein or as required by Laws) from disclosing or making use of any such Invention without Cenovus's prior written consent.
- (g) Clause 9(f) shall not apply to any Invention owned, completed or acquired by Contractor prior to, or unrelated to, the provision of Services to Cenovus hereunder. Cenovus shall not be responsible for any royalties, fees, costs or charges whatsoever pertaining to any such Invention, other than the compensation expressly agreed to by the Parties hereunder.
- (h) Any modifications, enhancements or improvements (collectively, the "Modifications") to any such Inventions excluded from section 9 (f), made or developed by Contractor and its Representatives, or any of them, in the course of performing Services for Cenovus hereunder shall be owned by Contractor provided that such Modifications do not embody or in any manner appropriate or infringe any Confidential Information, Intellectual Property or other rights of Cenovus or any of its Affiliates and Cenovus and its Affiliates shall have a worldwide, perpetual, royalty free, non-transferable, unrestricted license to use such Modifications, otherwise such Modifications shall be owned by Cenovus.
- (i) Any Contractor performing Services that include collecting, processing or analyzing data shall delete all data which is, or shall become, the property of Cenovus or any of its Affiliates. This deletion shall not commence prior to six (6) months after Cenovus or an Affiliate acknowledges receipt of all Services provided for an individual project, and shall be completed no later than 12 (twelve) months after such acknowledgement. Contractor shall also delete data at any time upon request by Cenovus.
- (j) Contractor shall not use the names, logos or trademarks of Cenovus or any of its Affiliates in advertising, promotional material or publicity releases (in any media whatsoever, including electronic or web-based) without Cenovus's prior written consent.

10. INSURANCE:

Contractor shall immediately upon execution of this Agreement furnish proof to the satisfaction of Cenovus that the following insurance requirements have been met for the term of this Agreement, including any renewal or extension:

- (a) Employer's Liability Insurance covering each employee engaged in the performance of the Services to the extent of One Million Dollars (\$1,000,000), where such employee is not covered by Workers' Compensation as required in the jurisdiction in which the Services are to be performed;
- (b) Automobile Liability Insurance covering death, bodily injury (including passenger hazard) and property damage arising from the operation of owned, leased, or rented vehicles used in the performance of the Services, with inclusive limits of not less than Two Million Dollars (\$2,000,000) for any one occurrence;



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- (c) Commercial General Liability Insurance with a bodily injury, death and property damage (including loss of use) limit of Five Million Dollars (\$5,000,000) for any one occurrence, including coverage for contractual liability, tortious liability, contractor's protective liability (if any Services are subcontracted), products and completed operations liability, non-owned automobile liability and time element pollution coverage when the performance of the services involves a pollution exposure;
- (d) If the Services to be performed are of a professional nature, Professional Liability Errors and Omissions Insurance covering all claims arising out of errors and omissions of Contractor in the performance of professional services, with a limit of Five Million Dollars (\$5,000,000) for any one claim. In the event claims unrelated to this Agreement erode Contractor's Professional Errors and Omissions insurance below \$5,000,000 in the annual aggregate, Contractor agrees to reinstate the limit;
- (e) If the performance of the Services requires the use of owned, non-owned, or chartered aircraft, Contractor is to obtain and keep in force, or require the owner of such aircraft to obtain, Aircraft Liability Insurance covering bodily injury (including passenger hazard) and property damage with inclusive limits of not less than Twenty-Five Million Dollars (\$25,000,000) for any one occurrence;
- (f) If the performance of the Services requires the use of watercraft, Contractor is to obtain and keep in force, or require the owner of such watercraft to obtain, Marine Liability Insurance covering bodily injury and property damage with inclusive limits of not less than Ten Million Dollars (\$10,000,000) for any one occurrence; and
- (g) The insurance provided and maintained by Contractor pursuant to this Clause 10 shall be provided in accordance with the following:
 - (i) The policy referred to in Clause 10(c) shall name Cenovus and its Affiliates, and their respective employees, contractors, subcontractors, consultants, agents, representatives, directors and officers as additional insureds;
 - (ii) Each policy shall, where appropriate, provide by endorsement or otherwise, that the insurers waive their right of subrogation against Cenovus and all persons with whom Cenovus may be participating;
 - (iii) Each policy shall, where appropriate, provide that a thirty (30) day written notice be given to Cenovus prior to any material change or cancellation of such policy;
 - (iv) The insurance maintained by the Contractor shall be primary and non-contributory and, if an Additional Insured has other insurance that is applicable to the loss, such other insurance shall be on an excess basis;
 - (v) Contractor shall provide Cenovus with a certificate of insurance evidencing all such policies within ten (10) business days after execution of this Agreement;
 - (vi) Contractor will use its best efforts to ensure that all permitted subcontractors comply with the foregoing insurance provisions;
 - (vii) Cenovus may require Contractor to obtain additional insurance coverage depending on the nature of the Services being provided; and
 - (viii) Contractor shall be responsible for payment of all deductibles in its insurance policies.



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11. SUSPENSION AND TERMINATION:

- (a) Cenovus may suspend the performance of this Agreement by written notice to Contractor, specifying the effective date of the suspension, and the obligations to be suspended. Cenovus may direct Contractor to resume performance of any suspended obligations by written notice to Contractor.
- (b) Cenovus may terminate this Agreement for convenience upon Thirty (30) day's written notice to Contractor. Upon such termination, Cenovus shall pay Contractor for all Goods and Services provided to the effective date of termination in accordance with Schedule 1.
- (c) If Contractor refuses or fails to make deliveries of Goods or to perform the Services, or fails to perform any provision of this Agreement, and does not cure such failure within seven (7) days after receipt of written notice from Cenovus specifying such failure, Cenovus may, at its option, terminate this Agreement. Cenovus may also terminate this Agreement on seven (7) days written notice if Contractor (or its Affiliate under contract with Cenovus or Cenovus's Affiliate) becomes insolvent. This provision is in addition to, and not in substitution for, any other right or remedy which Cenovus may have at law or equity, or under this Agreement.
- (d) Cenovus shall not, by reason of the termination of this Agreement, be liable to Contractor for any losses, compensation, reimbursement of damages on account of loss of profits, prospective profits, sales or anticipated sales, or on the account of expenditures, investments, leases or commitments in connection with the business or goodwill of the Contractor or otherwise. Further, in no event shall Cenovus be liable for Contractor's special or consequential damages or losses as a result of such termination.
- (e) If Cenovus fails to pay an invoice as required by Clause 6(b), Contractor may terminate this Agreement upon thirty (30) days written notice to Cenovus.

12. LIENS:

- (a) Contractor shall pay or cause to be paid all *bona fide* accounts for services, material or equipment rendered or supplied by a subcontractor or supplier in relation to this Agreement.
- (b) If any indebtedness exists which appears to be the basis of a Claim or lien against Cenovus or an Affiliate by a third party arising out of this Agreement, Cenovus may withhold from any payment due to Contractor an amount sufficient to cover the indebtedness. The failure of Cenovus to exercise this right to withhold shall not affect the obligation of Contractor to protect Cenovus or an Affiliate as elsewhere provided in this Agreement.
- (c) If a lien is registered or claimed by a subcontractor, supplier or a third party against Cenovus or any property of Cenovus with respect to the Goods or Services, Contractor shall immediately and diligently pursue action to discharge the lien at its cost.

13. FORCE MAJEURE:

A party shall not be liable for any delay or damage caused as a result of any causes beyond its reasonable control and which by the exercise of reasonable diligence it is not able to prevent or overcome ("Event of Force Majeure"). Any delay caused by an Event of Force Majeure shall not be deemed to be a breach of or failure to perform this Agreement or any part thereof, provided that the party affected by the Event of Force Majeure notifies the other party as soon as practicable of the circumstances surrounding the Event of Force Majeure, and exercises reasonable efforts to overcome or reduce the circumstances preventing or restricting



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performance of its obligations. If an Event of Force Majeure continues for a period greater than twenty-one (21) days, Cenovus, at its option, may immediately terminate this Agreement and pay Contractor the actual cost of all materials, supplies, equipment and labour incorporated in the Goods or Services provided by Contractor at the time Cenovus exercises its election.

14. ASSIGNMENT AND SUBCONTRACTING:

Contractor shall not assign or subcontract any of its obligations under this Agreement without the prior written consent of Cenovus. Any suppliers intended to be used by Contractor for the supply of Goods are subject to the prior written approval of Cenovus. Any permitted assignment or subcontracting shall not relieve Contractor of its obligations under this Agreement, nor shall it create any privity of contract between Cenovus and any Representatives of the Contractor. Cenovus may assign this Agreement, at any time without the prior consent of Contractor, provided that the assignee agrees to be bound by the terms of this Agreement.

15. COMMUNICATION AND NOTICES:

- (a) Communications between the parties with respect to operational matters arising under this Agreement shall be exchanged between the following representatives:

Cenovus:	Contractor:
Business Representative: Brad Uggerslev	Representative: Jason Mercier
Phone: 403-766-3349	Phone: 780-207-0960
E-mail: bradley.uggerslev@cenovus.com	E-mail: Jason.mercier@mantlegroup.ca

- (b) All formal notices required to be given under this Agreement, and all communications regarding the administration of this Agreement, shall be in writing and shall be sent to:

Cenovus:	Contractor:
Cenovus Energy Inc. 225 – 6 Ave SW PO Box 766 Calgary, Alberta T2P 0M5	Mantle Materials Group Ltd. 61329 RR 455 Bonnyville, Alberta T9N 2H4
Attention: Leigha MacCallum, Contract Owner Supply Chain Management E-mail: leigha.maccallum@cenovus.com Phone: 403-766-6750	Attention: Jason Mercier, Business Development Manager E-mail: Jason.mercier@mantlegroup.ca Phone: 780-207-0960

- (c) Notices under this Agreement shall be given by registered mail, courier delivery or by sending them by way of e-mail communications. Notices shall be deemed to be received the business day after delivery, or the time the e-mail is received.
- (d) Either party may change its representatives and contact details by written notice to the other party.
- (e) All materials for publicity and media responses associated with this Agreement require Cenovus’s written approval prior to publication or release.



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16. RECORDS, AUDIT AND REPORTING:

- (a) Contractor shall maintain, and shall require its subcontractors to maintain, in accordance with generally accepted accounting principles, accurate and complete books, records, expense accounts, and documentation pertaining to the provision of the Goods or Services, including Contractor's and its subcontractor's personnel records, correspondence, instructions, plans, drawings, receipts, vouchers, memoranda, tapes, data, models, data stored in computer libraries, and such other documentation and related systems of controls necessary for an accurate audit and verification of the charges of Goods or Services to Cenovus, and general compliance with this Agreement ("Records").
- (b) Contractor and its subcontractors shall preserve the Records during the term of this Agreement, and for a period of not less than six (6) years after termination or expiry of this Agreement and thereafter in accordance with the requirements of applicable Law.
- (c) Cenovus, or its designate, shall, at all reasonable times, and upon reasonable prior notice, have access to and be authorized to examine and make copies of all Records. Cenovus, or its designate, shall be entitled to interview Contractor's and its subcontractor's personnel as may be necessary for an accurate audit and verification of the charges of Goods or Services to Cenovus, and general compliance with this Agreement. Cenovus may conduct an audit of the Contractor and the Records within thirty-six (36) months following the end of that year in which an invoice was submitted under this Agreement. Cenovus shall be entitled to conduct an audit once per calendar year, provided that if Contractor is considered by Cenovus to be in breach of this Agreement, Cenovus shall have the right to re-audit Contractor with respect to such breach.
- (d) Contractor shall provide complete and accurate information and documentation to Cenovus during any such audit, and shall respond to requests for information in a timely manner. Contractor shall provide reasonable assistance to Cenovus, or its designate, and make available upon its request all Records that are required to conduct an audit. Upon request by Cenovus, Contractor shall provide information relating to an audit in electronic format, including Microsoft Excel®. Contractor agrees that extrapolation of findings is a reasonable method for estimation of pervasive issues arising during the course of an audit.
- (e) Notification of any Claims made, or discrepancies disclosed by such audit shall be made in writing to Contractor. Contractor agrees that the two year period for seeking a remedial order under Section 3(1)(a) of the Limitations Act (Alberta) is extended for Claims disclosed by an audit by two years after the time this Agreement permitted the audit. Contractor and Cenovus shall diligently attempt to resolve such audit Claims or discrepancies. Upon an audit Claim or discrepancy being resolved, Contractor shall forthwith reimburse Cenovus for any monies due as a result of such agreement or determination, or vice versa. Contractor or its subcontractors shall make no charge for such audit, or for making such adjustments. If an audit discloses overcharges of any nature by Contractor in excess of one percent (1%) of the total invoice amount covered by the audit period, or any material breach of this Agreement by Contractor, the cost of such audit shall be paid by Contractor.
- (f) Upon request, Contractor shall provide Cenovus with:
 - (i) a copy of its most recent audited financial statement;
 - (ii) consent to conduct a standard Equifax® credit search; and



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- (iii) a Parent Company Guarantee in a form acceptable to Cenovus.
- (g) Upon request from Cenovus, Contractor shall:
 - (i) submit to Cenovus a report that summarizes its performance against agreed upon metrics, which may include:
 - (A) safety, including incidents, hours worked and Total Recordable Incident Frequency;
 - (B) quality and execution schedule;
 - (C) cost, including total spend by area, number of jobs, and average cost per job; and
 - (D) local and Indigenous content.
 - (ii) participate in performance review meetings with Cenovus.

17. TAXES:

- (a) Contractor represents and warrants that it is not a non-resident of Canada for the purposes of the Income Tax Act (Canada), and any applicable double taxation treaties.
- (b) All amounts set forth in this Agreement or the Schedules shall be net of Goods and Services Tax or Harmonized Sales Tax imposed under Part IX of the Excise Tax Act (Canada) ("GST or HST"), or any similar or replacement value added or sales or use tax enacted under successor legislation. GST or HST applicable to the amounts payable by Cenovus shall be shown as a separate item on Contractor's invoices, and all invoices shall bear Contractor's GST or HST Registration Number. Contractor will hold as agent the GST or HST paid by Cenovus and will remit such GST or HST as required by law. Cenovus will not be responsible for payment of taxes based on Contractor's net income, capital or similar taxes.
- (c) Contractor is registered for GST or HST, and its GST or HST Registration Number is 723397733.
- (d) Where any part or all of the Goods are to be provided, or the Services are to be performed, in a Province where governmental authorities levy any taxes, assessments, fees or charges on such Goods or Services, Cenovus and Contractor shall comply with all applicable Provincial requirements.
- (e) In the event that any amount becomes payable pursuant to this Agreement as a result of breach, modification or termination of this Agreement, the amount payable shall be increased by any applicable taxes, including but not limited to GST or HST remittable by Cenovus in respect of that amount.
- (f) Contractor shall itemize its invoice in sufficient detail to support reduced withholding tax applicable to components of the invoice, including Services rendered in Canada. Failure to do so will result in Cenovus withholding at the maximum amount on the invoiced amount.
- (g) Contractor shall provide a completed and signed Cenovus Residency Questionnaire and the applicable Canada Revenue Agency Declaration of Eligibility of Benefits Under a Tax Treaty (Form NR301, NR302, NR303, as applicable). Failure to do so will result in Cenovus withholding at the maximum amount of the invoiced amount.



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18. ENTIRE AGREEMENT:

- (a) The terms of this Agreement, including the Schedules, represent the entire agreement between Contractor and Cenovus regarding the supply of Goods and performance of the Services, and no other terms or conditions shall apply. No amendment of this Agreement shall be binding upon a party unless it is evidenced in writing and executed by an authorized representative of both parties.
- (b) Both Cenovus and Contractor may continue to execute usual field work orders, service contracts, purchase orders or tickets customarily required by Cenovus or Contractor in connection with the provision of Goods or the performance of the Services, with the understanding on the part of both parties that irrespective of the terms of such field work orders, service contracts, purchase orders or tickets, the provisions of this Agreement shall exclusively apply in determining the rights, obligations and liabilities of the parties.
- (c) The headings of the clauses herein and in the Schedules are inserted for convenience of reference only and shall not affect their construction or interpretation.
- (d) The Schedules form part of this Agreement. If any conflict exists between the provisions of this Agreement and the Schedules, the terms and condition in the body of this Agreement shall prevail over the Schedules. Contractor shall promptly notify Cenovus of any such conflict for resolution.
- (e) Any provisions of this Agreement which by their nature are a continuing obligation, including indemnity, confidentiality, warranty, insurance and dispute resolution provisions, shall survive the expiration or termination of this Agreement.

19. GOVERNING LAW AND ATTORNMENT:

This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta, without reference to conflict of laws principles. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of Alberta, and all courts of appeal therefrom.

20. HOLDBACKS AND SET-OFF:

- (a) Cenovus may, in its sole discretion, withhold payments or deduct amounts due to Contractor without liability or interest:
 - (i) until satisfied as to the quality and performance of the Goods or Services and the payment of all amounts required to be paid by Contractor under this Agreement including all payments for labour, services, materials and supplies;
 - (ii) for any Claim or liabilities which may be the basis of a claim made by a third party;
 - (iii) for any other matter in dispute until the dispute is settled;
 - (iv) for any costs incurred by Cenovus due to Contractor's negligence or breach of its obligations hereunder; and
 - (v) in accordance with any Law, including holdbacks for labour or materials.
- (b) Any amount withheld or deducted shall correspond to the amount in issue, as determined by Cenovus in its sole discretion, to the extent it deems necessary, and any payments or adjustments in respect of such amount shall be made in accordance with the resolution of the matter in issue.
- (c) If the amounts payable under this Agreement are subject to any holdback amount, the Contractor shall invoice GST or HST at the statutory rate on the gross value of the invoice.



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GST or HST is to be calculated and billed on the invoice value, prior to reducing the amount payable by the holdback. No additional GST or HST will be paid by Cenovus when the holdback is released.

- (d) Cenovus shall be entitled to set off any amounts owing from Contractor to Cenovus or any of its Affiliates against any amount due or owing to Contractor.

21. POLICIES:

- (a) In providing Goods or Services, Contractor shall strictly comply with all Cenovus Policies and, upon entering into this Agreement, Contractor shall review the Cenovus Policies. Contractor shall remain aware of the Cenovus Policies by reviewing them at the beginning of each calendar year and during such year upon notice by Cenovus of an amendment to the Cenovus Policies. Any amendments to the Cenovus Policies shall be incorporated into this Agreement upon the earlier of notice being given to Contractor of such amendment or the beginning of the next calendar year following such amendment.
- (b) Contractor shall, and shall cause its Representatives to, avoid situations where any of its interests conflict, could potentially conflict or could appear to conflict with its obligations and duties to Cenovus or its Affiliates. Contractor shall immediately advise its Cenovus supervisor of any actual, potential or perceived conflict of interest situation of which it becomes aware.

22. ENUREMENT:

This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

23. NETWORK ACCESS:

If Contractor requires access to Cenovus's information technology network in order to perform its obligations under this Agreement, Contractor shall execute Cenovus's Network Access Agreement.

24. ANTI-BRIBERY:

Contractor and its Representatives shall comply with all applicable anti-bribery Laws of any relevant jurisdiction, including the Corruption of Foreign Public Officials Act (Canada). All invoices, reports, statements, and other records which Contractor submits to Cenovus and its Affiliates under this Agreement will accurately describe the Goods and Services rendered, and the nature and recipient of any expenditures or payments made in connection with such Goods or Services, and will not fail to reveal any material information which Cenovus may require in order to accurately prepare its own books and records. Contractor shall be liable for, and in addition, shall indemnify and hold Cenovus and its Affiliates and their respective officers, directors and employees harmless from, any Claim, liability, fine, penalty, loss or damage that arises as a result of Contractor's failure to comply with this Clause 24.

25. LIABILITY AND INDEMNITY:

- (a) Contractor shall be liable to, and shall indemnify and save harmless Cenovus and its Affiliates, and their respective employees, contractors, subcontractors, consultants, agents, representatives, directors and officers (in the remainder of this Clause called "Cenovus") from and against any and all Claims whatsoever arising from:



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- (i) the contravention of any Law by Contractor or its Representatives (in the remainder of this Article called "Contractor") in connection with or incidental to the performance of this Agreement, including;
 - (A) any taxes, including withholding tax, imposed on Cenovus in respect of this Agreement by or for any state or government, and any Claims which may be brought against or suffered by Contractor or which Contractor may incur in conjunction with the foregoing as a result of the failure by Contractor to pay such taxes, including withholding tax; and
 - (ii) any breach by Contractor of its obligations under this Agreement;
 - (iii) any negligent acts or omissions of Contractor or those persons for whom Contractor is responsible; and
 - (iv) any Claim based on an allegation of an infringement of any third party intellectual property rights arising from the supply of Goods or performance of Services under this Agreement.
- (b) Nothing herein shall exclude or limit Contractor's liability for Claims sustained or incurred by Cenovus as a result of third party Claims against Cenovus that arise out of the performance, non-performance or purported performance of this Agreement by Contractor.
- (c) Cenovus shall have the right at its option to participate in the defence of any Claim against Cenovus without relieving Contractor of its obligations hereunder in respect of the defence of such Claim and costs thereof.

26. INCIDENT REPORTING:

Contractor shall notify Cenovus as soon as practicable of the occurrence of any occupational and safety, regulatory, environmental, respectful workplace, or security incidents which occur when Contractor is performing Services on a Cenovus work site.

27. BUSINESS CONTINUITY:

Contractor shall ensure that business continuity plans and procedures are in place to maintain Contractor's ability to perform its obligations under this Agreement.

28. TIME IS OF THE ESSENCE:

Time is of the essence of this Agreement.

29. MILITARY RANGE INSTRUCTIONS:

- (a) For Services performed on the Cold Lake Air Weapons Range in north-eastern Alberta, Contractor shall obtain and acknowledge receipt of, and shall ensure Services are conducted in accordance with "Instructions to all Cenovus Personnel including Partner Companies, Contractors, Service Companies, Consultants And Others Working within Or Entering The Cold Lake Air Weapons Range (CLAWR)" and "Chapter 7 of Special Range Orders for Alberta Energy Company Ltd.", or any directions of "Cenovus Range Safety and Co-ordination Centre", as the case may be.
- (b) Any breach of any of Contractor's obligations in this Article shall entitle Cenovus to immediately terminate this Agreement and, at Contractor's cost and risk, to take whatever other action it deems appropriate to remedy such breach. Reference to all



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documents in this Article include those which supplement, amend, or replace such documents.

30. CONSEQUENTIAL DAMAGES

- (a) For the purposes of this Agreement, "Consequential Damages" means any or all loss of product, production, revenue, profits (actual or anticipated), use, business opportunity, and consequential loss of any similar kind arising out of, or in connection with, this Agreement.
- (b) Subject to Clause 30 (c), neither Party shall be liable to the other for Consequential Damages.
- (c) Nothing herein shall exclude or limit Contractor's liability for claims sustained or incurred by Cenovus as a result of:
 - (i) third party claims that arise out of the performance or non-performance of this Agreement by Contractor or any of its Personnel, including claims arising out of infringement of intellectual property rights by Contractor or any of its Personnel; or
 - (ii) breach by Contractor of its obligations of confidentiality under this Agreement.

31. AFFILIATES

Contractor shall provide Services to any Affiliates of Cenovus upon request by Cenovus or each such Affiliate. The terms and conditions of this Agreement shall govern the provision of Services to each such Affiliate and shall constitute a separate contract between each such Affiliate and Contractor and any reference to Cenovus in this Agreement shall be deemed to refer to the applicable Affiliate for whom Contractor is providing Services and Cenovus Energy Inc. and its other Affiliates shall have no obligations to Contractor thereunder.

IN WITNESS WHEREOF the parties have executed this Agreement the date first written above.

Cenovus Energy Inc.

Mantle Materials Group Ltd.

Per

DocuSigned by:

E82A96FE32264E7...

Per

Signature

Signature

Ariel Smith

CORY PICHOTA

Print Name

Print Name

Ariel Smith-Director SCM WD&CO

PRESIDENT / COO

Title

Title

2023-05-18 | 9:55 AM MDT

MAY 17, 2023

Date

Date



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SCHEDULE 1, SECTION 1 – SCOPE OF WORK

PROVISION OF SUPPLY AND DELIVERY OF GRAVEL

1. INTRODUCTION

Cenovus is committed to a Zero Incident Philosophy that expects the project to be completed without injury to personnel, damage to existing equipment, and/or impact to the environment.

2. GENERAL SCOPE OF WORK

The purpose of this Agreement is for the provision of Supply and Delivery of Gravel to meet Cenovus’ requirements, as requested by Cenovus’ representatives, with reasonable notice. Cenovus’ general conditions and expectations to all suppliers providing the above-mentioned services includes but is not limited to the following:

There is no guarantee of the amount of work given to contracted vendors for the provision of supply and delivery of gravel services to Cenovus in one or more areas. Multiple Contractors may be selected for each region, and work will be distributed based on overall value to Cenovus. Cenovus reserves the right to remove Contractor(s) from specific job(s) and/or reassign coverage if necessary, as determined by Cenovus.

This Agreement shall be non-exclusive and Cenovus reserves the right to execute work outside of this Agreement. Cenovus reserves the right to bid individual projects or groups of projects separately. Contractor shall provide all labour, equipment, fuel and materials for the provision of services as requested by Cenovus in accordance with the requirements set forth herein.

3. DETAILED SCOPE OF WORK

Failure to comply with any of the requirements listed within this Scope of Work shall allow Cenovus to terminate this Agreement with cause, pursuant to the Cenovus Terms and Conditions.

Except as otherwise provided herein, Contractor shall supply all equipment, competent personnel, supervision, certifications and licenses, tools and each and every item of expense necessary to perform services required to meet the Company’s objectives listed below.

All labour, materials and equipment must meet or exceed minimum Cenovus and/or industry standards and meet or exceed Cenovus and/or Industry minimum safety requirements. Industry best practices shall be adhered to by Contractor at all times.

Contractor represents that:



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- a) It has the experience and capacity to and will efficiently and expeditiously accomplish all services in a good and professional manner and in accordance with this Contract; and
- b) It shall exercise the performance of these services with a standard of care and skill normally exercised by professional performing this type of services.

Contractor is to provide all the requirements to supply and deliver aggregates to Cenovus Foster Creek Project Site. Estimated quantities and tentative schedule of deliveries are provided below:

Foster Creek 2023 Gravel Forecast					
Project	Pad Working Area (m2)	Access Length (LM)	2-40 (MT)	6-80 (MT)	Estimated Date Required
2023 Redrill/Redev			2,925		Small Qty throughout year
Amine Claus	62,850		22,626	22,626	01-Sep-23
Amine Clause Lateral		860	3,065	3,065	15-Jul-23
E05 Pad	17,200		2,477		01-Oct-23
E05 Lateral		80	256	256	15-Sep-23
E00 Trunk		1,050	3,742	3,742	31-Jul-23
N27 Pad	20,530		2,956		01-Sep-23
N27 Lateral		350	1,121	1,121	15-Aug-23
N28/29 Pad	29,300		4,219		10-Sep-23
N28/29 Lateral		655	2,099	2,099	25-Aug-23
W09 Pad	15,000		2,160		08-Aug-23
W09 Lateral		50	160	160	09-Jul-23
WTR - W35 to W42		2,050	7,306	7,306	30-Jul-23
W41 Pad	15,050		2,167		10-Sep-23
W41 Lateral		435	1,394	1,394	29-Aug-23
W42 Pad	15,050		2,167		28-Sep-23
W42 Lateral		75	240	240	13-Sep-23
RML RB		75	240	240	15-Jun-23
Total			46,322	42,250	

There are no guarantees on actual quantities to be purchased. Cenovus does not commit to these quantities and timelines, rather they are provided for planning purposes only. Cenovus will provide updated forecasts as requested by the Contractor.

Aggregate Quality Control – Requirements

All gravel shall meet the approval of Cenovus prior to delivery to the site.

- Sieve analysis shall be provided to Cenovus as part of a thorough and standard QC program
- The Cenovus Representative can reject gravel not meeting requirements.
- Cenovus may have geo-technical engineers performing sieve tests on gravel supplied.
- Cenovus may have geo-technical engineers performing random checks of gravel supplied to ensure quality of product.

4. GENERAL GUIDELINES

A. CONTRACTOR HOUSEKEEPING GENERAL REQUIREMENTS



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The Contractor shall maintain the Work site, office, lay down, fabrication and welfare areas in a neat, clean and sanitary condition at all times. It is essential that all means of access and egress, including walkways, stairways, ladders and emergency exits are kept usable and free from obstructions.

B. ENVIRONMENTAL PROTECTION

A key component of Cenovus' Corporate Responsibility Policy is environmental performance and protection. As such, the Contractor is expected to effectively mitigate their environmental impacts by having in place appropriate policies, procedures and personnel training. Where special efforts have been made to meet this commitment, the Contractor should detail these plans and considerations to ensure environmental stewardship.

C. SPILLS

The Contractor shall establish a spill prevention program to minimize the impact of spills from known hazards e.g., fueling vehicles and equipment. In the event a spill occurs from Contractor equipment or during a Contractor controlled activity, the Contractor shall establish an emergency response and spill clean-up plan, which shall include the supply of absorbent material sufficient for the largest anticipated spill.

D. WASTE DISPOSAL

All wastes shall be segregated to ensure hazardous wastes and materials are not mixed with non-hazardous. The contractor shall adhere to Cenovus' requirements for the safe disposal of all waste. Storage and disposal of hazardous, toxic and flammable wastes shall be in the appropriately labeled containers, provided by Contractor.

E. HAZARDOUS MATERIALS AND WHMIS

Contractors shall ensure before any new chemicals are brought on to a Cenovus work site, they will provide Cenovus' Representative with a copy of the Material Safety Data Sheet (MSDS) in order to gain approval for its use.

The Contractor shall also ensure that a hazard identification process has been established to provide their employees with the necessary training and PPE requirements for handling such chemicals.

F. SITE ACCESS

Access to Cenovus work sites is strictly controlled. Contractor personnel must provide approved identification and proof of having attended the site orientation training to the security gate personnel. Access to Foster Creek is within the Cold Lake Air Weapons Range. All personnel must have the CLAWR orientation and proper badging from the Southgate Orientation center, see CLAWR website (<https://rangesafety.ca/>).



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Vehicle access to the site will be strictly limited. Contractors requiring vehicular access will be required to obtain authorization from their Cenovus Contract sponsor.

All visitors to the site must be signed in by Cenovus personnel.

G. SECURITY

The contractor shall provide the necessary security arrangements for its tools, equipment, laydown area and materials while on Cenovus Work Site.

H. CONTRACTOR SUPPLIED LIFTING AND HOISTING EQUIPMENT

Lifting and hoisting equipment provided by the Contractor as part of the Work shall be:

- Compliant with all current regulations;
- Be subjected to an ongoing maintenance and inspection plan run by the contractor;
- Covered by Certification and maintenance records; and
- Delivered to the Work location in advance of the Work, complete with supporting documentation for review by Cenovus personnel.

All loose gear, slings and shackles, etc., must also be provided with certification as to capacity as well as clear identification of that capacity.

I. CONTRACTOR'S GENERAL RESPONSIBILITIES AND REPORTING

While performing the Work the Contractor shall be responsible for, but not limited to:

- mobilization and transportation of all labour, materials and equipment to the Site;
- supply all Contractor Work and/or Materials required to perform the proposed scope of Work;
- reporting weekly status of materials ordered or manufactured for the Work on or off site;
- progress and/or activities report of week;
- preparation of daily Work activities report logs;
- preparation of daily workforce planning, including, labour man-hours, equipment and material reports for approval by Cenovus' Representative;
- all employees ready and able to work each day and to meet the required daily start times, and work each day in a safe productive manner;



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- reporting of all incidents, submissions of incident reports and cooperation of incident investigation with Cenovus, for any health, safety or environment incident in compliance with the Site safety policies;
- preparing submissions and managing all reports and information documents required by Cenovus and all Governmental Authorities;
- participating in safety audits, inspections and testing activities;
- maintaining the drawings, data and other documents to reflect the current conditions regarding the equipment;
- providing for all the requirements for the Contractor's employees, subcontractors and subcontractors' employees other than materials and/or services specifically supplied by Cenovus;
- removing accumulated substances and any debris and waste on a daily basis in order to maintain a safe and efficient Work environment;
- ensuring the security of Contractor's materials, tools, Work site equipment and facilities, as well as those of its subcontractors and Cenovus supplied equipment and materials;
- provision and development of Safe Work Management Plans; and
- preparation and provision of site evacuation lists.

J. MATERIALS, EQUIPMENT, FACILITIES AND UTILITIES SUPPLIED BY CENOVUS

Cenovus shall, at its own cost and expense, supply to the Contractor for the Contractor's use in the performance of the Work, the following materials, equipment, facilities and utilities:

- permits required to be held in the name of Cenovus;
- overall coordination of other contractors, vendors or otherwise service providers that may be at the facility, co-current with the Contractor;
- administration of Cenovus' E.H.&S. program including the issuance and control of clearances; and
- provision of onsite first aid facility.

K. CONTRACTOR WORK SITE WORK INTERFACE



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In addition to the Contractor's employees and personnel located and Working at the Site, employees and personnel of Cenovus and of other parties will also be located and Working at the Site. The Contractor shall cause all of its employees, personnel and representatives located or performing the Work at or near the Site to at all times act in good faith and cooperate and coordinate all activities relating to such Work with all other employees, personnel and individuals whatsoever located or working at or near the Site. Cenovus may request a representative from each party to attend daily coordination meetings for the purposes of coordinating contractor interfaces, safety reviews and resolving any issues. Contractor shall communicate regularly and effectively with Cenovus Representatives in project planning discussions to ensure availability and adherence to project timelines.

L. PERSONNEL REQUIREMENTS

Cenovus reserves the right to accept, reject or request any personnel or equipment provided by Contractor, based on Cenovus's operating requirements and safety standards.

All employees must have completed the Cenovus H&S Orientation (www.cenovuslearns.com) prior to starting work on the project site. All employees must have proper safety training and personal protective equipment prior to working on a Cenovus site. Minimum safety training includes:

- H2S Alive
- First Aid
- WHIMS
- TDG
- Ground Disturbance and
- Cenovus Life Saving Rules (LSRs)

The Contractor shall supply at its own cost and expense (for greater certainty, included in the Rate Sheet), the following if applicable to the Work:

- Transportation of Contractor employees to and from site;
- Conduct pre-site Drug and Alcohol (D&A) testing for pre-access;
- Proof of training certification if requested by Cenovus.

Cenovus supports the contractor training of new employees over the age of 18. Training new employees will be at the Cenovus Representative's discretion and the contractor shall; upon request, provide a supervisor or lead operator to assist in the training. Training may not be acceptable on high hazardous/risk tasks as indicated by Cenovus.



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Supervisors and all Equipment Operators are required to know and understand current industry criteria and best practices for soil management and reclamation specific to the area where work is being performed. Cenovus Representatives must be consulted to ensure work plan is acceptable.

M. MATERIALS, EQUIPMENT, FACILITIES AND UTILITIES SUPPLIED BY THE CONTRACTOR

In connection with the performance of the Work, and in addition to the items required or listed in other Sections herein, the Contractor shall supply at its own cost and expense (for greater certainty, included in the Rate Sheet), the following materials, equipment, facilities and utilities if applicable to the Work:

- Unless otherwise agreed to in writing, Contractor shall at its sole cost and expense inspect and maintain equipment in accordance with the higher of any manufacturers guidelines, regulation, code or industry standard applicable to the equipment or standards or requirements provided by Cenovus. Contractor shall maintain maintenance records and make them available to Cenovus immediately upon request. In case maintenance or repair cannot be performed on site for any reason, or replacement equipment is required for any reason, such equipment shall be of equal or higher standards and shall be provided at the sole cost of Contractor. Equipment not suitable for Cenovus locations will be refused and exchanged at Contractor's sole cost.
- Contractor shall ensure that all equipment is properly maintained, cleaned, comply with all pertinent regulations and are leak free.
- consumable materials ("Consumables") including, but not limited to, grease, welding rods, welding gases, oils, cleaning rags, test gases, diesel fuel or gasoline, propane, disposable testers and the like;
- cellular communication devices;
- storage enclosures for Contractor supplied materials and equipment, which enclosures must be approved by Cenovus;
- personal protective safety equipment in accordance with all Applicable Laws and Cenovus' Site safety policies for all its personnel involved in performing any Work;
- personal portable gas detectors for all its personnel involved in performing any Work involving confined space entry or the risk of combustible gas or any other hazardous atmosphere may be present;
- portable gas detection monitors capable of detecting both H₂S, Oxygen and Lower Explosion Limits (LEL);
- Scott Air Packs as required for confined space entry;
- No equipment is to be moved to or from a Cenovus site without prior approval from the Cenovus Representative. The responsibility to contact the local authorities for moving and/or weight permits belongs with the Contractor;



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- The Contractor is responsible for supplying clean equipment for the start of the project. Equipment is to be free of debris to mitigate the spread of noxious weeds, etc. Thereafter, if requested by the Cenovus Representative, Contractor may charge Cenovus for cleaning of equipment at cost. Cenovus will not pay equipment down time during cleaning;
- Equipment is to include the proper attachments (thumbs, standard bucket, rippers, etc.) for the required task;
- Equipment Operators and/or Foreman are required to ensure grading is completed with a GPS, eye level or laser transit as requested. Operators and/or Foreman are to be competent with the use of this equipment. GPS, levels and transits will not be compensated by Cenovus;
- All of the conditions noted elsewhere in this document are applicable to any equipment the Contractor supplies or sub-contracts;
- Appropriate and acceptable equipment standards are the discretion of the Cenovus Representative. All mobile equipment must be equipped with mandatory safety devices including but limited to: back up warning devices, steps, handrails, fire extinguishers, etc.;
- Any diesel-powered equipment that may be used on a Cenovus work site, must be equipped with an automatic engine air shut off if working where there is potential exposure to flammable liquids, gases or vapors;
- Equipment will only be charged when producing work. Down time (warming up, fueling, servicing, etc.) will not be charged to Cenovus, and be the responsibility of the Contractor;
- The Contractor must notify the Cenovus Representative in advance and prior to any equipment repairs/maintenance being done at a Cenovus work site;
- It will be the Contractors responsibility to ensure equipment is ready to work each day in cold weather (i.e., proheats, corking, etc.);
- Cenovus shall not be responsible for vandalism thus a written plan to mitigate issues such as vandalism or fire while leaving equipment idle at night is required, and to be approved by the Cenovus Representative prior the commencement of the project;
- The Contractor is responsible to ensure operator dispatch is coordinated with equipment moves. The Contractor will ensure that equipment is moved on time as requested by the Cenovus Representative. Costs associated with delays are the responsibility of the Contractor; and
- Service trucks are to be fully equipped with fueling equipment, tools and fire extinguishers necessary for the tasks performed. Additional firefighting equipment such as shovels and water cans in the summer months may be required when requested by the Cenovus Representative.



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N. MEETINGS, REPORTS AND SUBMITTALS

The Contractor may be required by Cenovus to attend and participate in various coordination meetings with Cenovus and other on-site subcontractors, which may include but are not limited to the following meetings:

- **Pre-project Planning Meetings** - As requested by Cenovus, the Contractor will be required to attend Pre-outage Planning Meeting(s). The Contractor shall be prepared to review all facets of its execution plan, project schedule, and methods.
- **Shift Project Review Meetings** - The Contractor's Representative shall be available as required by Cenovus to attend a project review meeting at the end of each 10 day shift schedule. The Contractor's Representative shall be prepared to report on the Project Schedule, safety performance, Work quality, productivity, coordination of the Work, forecasts to Work completion and discuss issues related to the Work.
- **Coordination Meetings** - Coordination meetings are held daily with representatives from all contractors, sub-contractors, the project team, operations personnel (as required) and safety advisors. The purpose of the meeting is to provide information on the current activities, identify where potential interface issues may arise and resolve emergent safety issues.
- **Contract Closeout Review Meeting** - The Contractor's Representative shall be available as required to attend a Contract Closeout Review Meeting following completion of the Work. The Contractor shall be prepared to review all aspects of the Work, lessons learned and suggestions for improvement on future projects.
- **E. H. & S. Meetings** - The Contractor's Representative shall be required to attend meetings in regards to health, safety and environment as required by Cenovus' Representative.

O. SUBMITTALS

Contractor shall prepare or obtain and forward to Cenovus the documents specified in this Scope of Work or in other locations in the Agreement.

All documents submitted by Contractor shall be certified by Contractor to be correct.

All documents submitted by subcontractors for use of Contractor shall first be sent to Contractor for checking. Contractor shall thoroughly check all documents for measurements, sizes of members, materials and details, etc., to ensure that the documents conform to the requirements of the Agreement. Documents found to be inaccurate or otherwise in error shall be returned to the subcontractor or supplier for correction before submission to Cenovus.



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Cenovus' review of documents shall not relieve Contractor from responsibility for errors or omissions that are discovered after review; the documents shall be corrected and remedial Services carried out at the expense of Contractor.

P. PERMITS AND LICENSES

The Contractor shall ensure all Permits and licenses have been granted or obtained before performance of the Work.

Q. WORK HOURS AND SCHEDULES

All Contractors' work schedules shall be consistent with OH&S and Alberta employment standards and regulations.

The Contractor shall be required to provide Cenovus with a comprehensive Project Schedule, detailing the sequence in which the Contractor intends to perform the Work, start and completion dates for all separate portions of Work and will clearly show the milestone dates.

The Contractor shall, before the commencement of Work, provide to Cenovus for review the Project schedule fully resource loaded including cost (labour, material, equipment, tools, indirects, supervision, and third party subcontractors), with a defined critical path with no opened end activities unless outlined within reason to Cenovus. Cenovus shall have the right to either agree to the opened end activities or request the Contractor to revise the schedule.

Cenovus may from time to time by written notice to Contractor modify or revise the milestone dates whereupon Contractor shall amend the schedule to conform to such modified or revised milestone dates.

If at any time Contractor's progress is determined by Cenovus to be inadequate to meet milestone dates or achieve completion in accordance with Cenovus' schedule or otherwise to comply with this Agreement or Service Order, Cenovus may so notify Contractor. Upon receipt of such notice, Contractor shall immediately take all steps necessary to improve the progress of the Services so that it will meet the milestone dates and the schedule to comply with this Agreement and Service Order.

If, within a reasonable period of time after notice has been given, Cenovus determines that Contractor has not sufficiently improved progress, Cenovus may require Contractor, at Contractor's expense:

- to increase Contractor's labor or equipment force;
- to increase the number or length of shifts operated by Contractor;
- to work additional hours per day or days per week; and/or
- take other measures as Cenovus deems necessary;



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provided that neither such notice by Cenovus nor Cenovus' failure to issue such notice, shall relieve Contractor of its obligation to achieve the quality of Services and rate of progress required by the Agreement.

R. MOBILIZATION AND DEMOBILIZATION OF CONTRACTOR

Mobilization: The Contractor shall be fully mobilized at the Site and be ready to perform the Work all in accordance with the Agreement and the Project Schedule which shall include, but may not be limited to, marshalling tools, materials, labour and equipment adjacent to the Work; organize Work areas and lay down areas; prepare and execute the Safe Work Planning; and to ensure that all Contractor and sub-contractor personnel complete the Site safety orientation prior to starting the Work.

Demobilization: Within five (5) Business Days after Final Completion of the Work, the Contractor shall have caused the complete and permanent removal and demobilization of all of its materials, equipment and personnel whatsoever from the Site.

S. AUDITS, INSPECTIONS AND PERFORMANCE REVIEW

Cenovus and Contractor will review the record of performance of the Work and discuss the learning's immediately following the completion of the Work and prior to demobilization of the Contractor and at such other times as Cenovus directs, in order to evaluate the performance of the Contractor relating to the Work.

Cenovus may, from time to time, engage a third party to inspect the Work or audit documentation related to the Work. Said third party shall be afforded access and courtesies as if the third party were a Cenovus employee.



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SCHEDULE 1, SECTION 2 - COMPENSATION

2.1 Unit Rates

The following unit rates shall apply to the Services to be provided by Contractor. These may be also used in determining extra costs or credits associated with Changes in the Scope of Work as described in this Schedule. The unit rates shall include all services, freight, supervision, labour, subsistence, materials, equipment, overheads (field and head office) and profit.

Table 2.1.1 – Unit Rates

Project	Price per Metric Tonne (MT) Delivered	
	2-40 Unit Rate	6-80 Unit Rate
2023 Redrill/Redev	\$ 39.83	\$ 49.36
Amine Claus	\$ 38.40	\$ 47.14
Amine Clause Lateral	\$ 38.40	\$ 47.14
E05 Pad	\$ 39.83	\$ 49.36
E05 Lateral	\$ 39.83	\$ 49.36
E00 Trunk	\$ 39.83	\$ 49.36
N27 Pad	\$ 39.83	\$ 49.36
N27 Lateral	\$ 39.83	\$ 49.36
N28/29 Pad	\$ 39.83	\$ 49.36
N28/29 Lateral	\$ 39.83	\$ 49.36
W09 Pad	\$ 39.83	\$ 49.36
W09 Lateral	\$ 39.83	\$ 49.36
WTR - W35 to W42	\$ 41.27	\$ 49.36
W41 Pad	\$ 41.27	\$ 49.36
W41 Lateral	\$ 41.27	\$ 49.36
W42 Pad	\$ 41.27	\$ 49.36
W42 Lateral	\$ 41.27	\$ 49.36
RML RB	\$ 39.83	\$ 49.36

Pit Locations:

2-40 – Mantle Oberg Pit

6-80 – Mantle Havener Pit



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Notes:

1. DEMURRAGE (WAITING TIME) -- A maximum of 60 minutes is allowed for unloading aggregate trucks. Each and every truck delayed at the job site excess of the 60 minutes will be charged to the Company at the hourly rate applicable to that unit, or if no rate is specifically applicable, at \$160.00 per hour, providing such delay was not attributable to the trucker.
2. EXTRA CARTAGE FOR SMALL LOADS -- Aggregate cartage prices are based on full truck loads. Small load charges will be assessed on deliveries less than full loads in cases where the purchaser order less than a full load; or where load restrictions imposed by regulatory bodies prevent the trucker from carrying a full load.
3. VOLUME -- Prices and quantities are based upon volume or weight at the time of loading the delivery truck. Receipted delivery tickets shall be conclusive as to quantities delivered unless disputed by notice to the Company within 24 hours of the time of delivery.

2.2 Fuel Surcharge

The fuel associated payment will be calculated monthly, based on a pre- determined formula. This will be based on the average price of diesel (ULSD #1 pricing) for that month based on the following hubs:

1. Edmonton for general AB work (with the exception of Grand Prairie)
2. Conklin, Fort McMurray

Fuel Associated Payment Structure

The following table outlines the agreed upon parameters of the fuel associated payment program:

2023 Fuel Surcharge Trucking (Foster Creek)				
Diesel Fuel Price Range			Applicable % to Total Invoice Amount	
\$	1.00	\$	1.10	0%
\$	1.11	\$	1.20	4%
\$	1.21	\$	1.30	7%
\$	1.31	\$	1.40	10%
\$	1.41	\$	1.50	13%
\$	1.51	\$	1.60	16%
\$	1.61	\$	1.70	19%
\$	1.71	\$	1.80	22%
\$	1.81	\$	1.90	25%
\$	1.91	Plus		Renegotiate



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NOTES:

- The “per litre” price will be based on the previous month’s average retail price of ULSD#1 for the applicable city as outlined above. For example, the April price and corresponding fuel associated payment is derived from the average of the March retail pricing. The data used for this calculation can be found at the Natural Resources Canada website:https://www2.nrcan.gc.ca/eneene/sources/pripri/prices_byfuel_e.cfm?LocationID=10#Glance
- The applicable fuel associated payment bracket will be communicated to Company within the first five days of each month.
- The fuel associated payment mechanism shall be applied to the total invoice amount.
- The Fuel associated payment amount should be referenced on daily tickets submitted to Company on a separate line item.
- When submitting invoices for these charges, a separate line item specifically labelled “Fuel Associated Payment” will be identified. This is applicable for both Open Invoice and Cortex submissions.



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SCHEDULE 2 - INVOICING PROCEDURES

- 2.1 Contractor shall submit invoices in accordance with the directions located at: <https://www.cenovus.com/contractor/invoicing-for-suppliers.html>.
- 2.2 Progress billings shall be based upon approved estimates of work completed to the billing date and shall bear the signature of Cenovus's Representative as verification of quantities or percentages complete for each pay item.
- 2.3 Billings on the basis of Force Account Rates must be submitted with relevant time tickets. All time tickets must be signed by a Cenovus representative on a daily basis. Cenovus will not accept individual time tickets containing information for more than one day.
- 2.4 Unless otherwise agreed by Cenovus, all invoices shall be submitted electronically using the internet based business transaction service that Cenovus uses for the receipt of invoices.
- 2.5 Upon request, Contractor shall, at no additional cost to Cenovus, provide information required by Cenovus for the purposes of property tax assessment, including:
 - Premiums and bonuses paid;
 - Non-productive labour;
 - Travel, subsistence and accommodation costs;
 - Freight costs and point of origin



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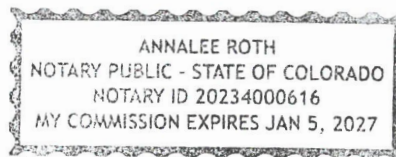
SCHEDULE 3

- 3.1 For work performed for Cenovus Energy Inc. Including work at its sites:
- (a) Contractor shall be responsible for safety at all times during the performance of its obligations under this Agreement. Contractor shall comply with all health, safety and environmental laws and regulations and all work practices prescribed by applicable Laws. When delivering goods to, or performing services at a Cenovus site, Contractor shall comply with all work practices, policies and directions of Cenovus, including those relating to prime contractor responsibilities, and any site-specific requirements. Further information regarding Cenovus's requirements can be found at <https://www.cenovus.com/Our-company/Health-and-Safety/Supplier-health-and-safety/Cenovus-health-safety-and-environmental-requirements-schedule-for-suppliers>.
 - (b) If Contractor is not performing any services on a Cenovus worksite, and there are no Cenovus Representatives who will be present at a Contractor worksite, Contractor shall comply with the HSE Schedule located at <https://www.cenovus.com/-/media/A27839184C17410A8EEE13A211359DDE>;
 - (c) If Contractor Representatives are present on a Cenovus worksite, but are not performing any "hands on" services, or if Cenovus Representatives are present at a Contractor worksite, Contractor shall comply with HSE Schedule located at <https://www.cenovus.com/-/media/507BF8DC7E3649A2A800815EE59A2698>; and
 - (d) If Contractor Representatives are performing "hands on" services at a Cenovus worksite, Contractor shall comply with HSE Schedule located at <https://www.cenovus.com/-/media/AD6B0C4E20FC40C49C225EB2029765FA>.
 - (e) Cenovus reserves the right to revise the applicable HSE Schedule upon written notice to Contractor.
 - (f) When performing services on a Cenovus worksite, Contractor shall:
 - (i) have in place environmental, health, safety and drug and alcohol programs which comply with all applicable Laws, Cenovus Policies and industry standards. Cenovus may audit such Contractor programs; and
 - (ii) interfere minimally with the operations of Cenovus and other contractors and shall adequately protect all persons and property of Cenovus and others from damage, injury or loss. Contractor shall leave the worksite clear of its tools, equipment, and waste. Contractor shall immediately notify Cenovus of any incident in connection with the provision of goods or services.

This is **Exhibit "B"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



Ledcor Highways Ltd.



**SUBCONTRACT
AGREEMENT**

Project: 2015289 MD Bonnyville Twp 610 Reconstruction

Subcontractor: Mantle Materials Group

Scope: Aggregate Processing and GBC Hauling

Subcontract Number: 2015289-01

Project File Number: 2015289.06.06.01

SUBCONTRACT AGREEMENT

This Subcontract Agreement (the "Subcontract") is dated the 13th day of February, in the year 2023 by and between the Contractor and the Subcontractor.

In consideration of the premises and mutual covenants and agreement contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Contractor and Subcontractor agree as follows:

DEFINITIONS

Contractor: Ledcor Highways Ltd.
Address: 7008 Roper Rd NW, Edmonton, AB T6B 3H2

Phone: 780 554-4276
Fax: N/A
Email for Notices: Matthew.Bullock@ledcor.com
Project Manager: Matthew Bullock

Subcontractor: Mantle Materials Group, Ltd.
Address: 9046 22 Ave SW, Edmonton, AB T6X 1Z6

Phone: 780 207-0960
Fax: N/A
Email for Notices: Jason.Mercier@mantlegroup.ca
Project Manager: Jason Mercier

Owner: MD Bonnyville

Project: Twp 610 Reconstruction

Prime Contract: The contract between Owner and Contractor dated the 12th day of January, in the year 2023 for the Project and all attachments, exhibits, addendums and amendments thereto.

Subcontract Price (Unit Price): Unit Prices form the basis for determining Subcontract Price. The estimated Subcontract Price, including all applicable taxes in accordance with the unit prices set forth in Appendix "D" – Pricing, is: \$1,474,025.00 CAD \$ (excluding GST/HST).

The Subcontract Price is to be used as a control figure only, and Contractor does not guarantee any amount of Work to be performed by Subcontractor hereunder. Contractor is not obligated to ensure that Subcontractor will be permitted to perform the estimated quantities of Work described in this Subcontract, or sufficient Work to otherwise reach the Subcontract Price. Subcontractor shall notify Contractor when the aggregate value of the invoices submitted under this Subcontract reaches seventy five (75%) percent of the Subcontract Price.

To the extent a Subcontract Price above is identified as having a value of "0.00", then such Subcontract Price shall not be applicable to this Subcontract.

Subcontract Documents: The following appendices are incorporated herein and form part of this Subcontract:
Appendix A General Conditions
Appendix B Special Conditions

Appendix C	Work Scope
Appendix D	Pricing
Appendix E	Specification List and Drawing List
Appendix F	Work Schedule
Appendix G	Reference Documents

Work: Means all labour, supervision, materials, tools, equipment and other related facilities and services necessary to construct, install and complete Work Scope as set forth in Appendix "C" including any work which is not expressly described in the Subcontract but which is nevertheless necessary for the proper execution of the work required by the Subcontract.

Work Schedule: Means the detailed schedule for the performance of the Work set forth in Appendix "F"

Article I. INCORPORATION BY REFERENCE

- 1.01** The provisions of the Prime Contract govern the whole of the Project and the related work, including the Work covered by the Subcontract. Subcontractor shall comply with and do all things required by the Prime Contract, so as not to result in a violation by Contractor of any terms, covenants or conditions of the Prime Contract. Any capitalized terms not defined in the Subcontract shall have the meanings ascribed to them in the Prime Contract, mutatis mutandis. In the event of a conflict between the provisions of the Prime Contract and the provisions of the Subcontract with respect to the Work (including performance thereof and specifications related thereto), the provisions of the Prime Contract shall take precedence over the provisions of the Subcontract to the extent of such conflict.
- 1.02** Subcontractor shall inform itself, its employees, directors, officers, agents and any sub-subcontractors of the current versions of all of Owner's standards, procedures, policies and guidelines, issued from time to time including those set forth in Appendix G – Reference Documents ("Owner Standards"), relating to the performance of the Work, including the quality assurance and quality control program developed by Owner for the Work. In the performance of the Work, Subcontractor shall ensure that its respective directors, officers, employees, agents and sub-subcontractors comply with all Owner Standards.

Article II. ENTIRE AGREEMENT & PRECEDENCE

- 2.01** All the Subcontract Documents form part of the Subcontract. This Subcontract is the entire agreement between Subcontractor and Contractor pertaining to the Work and supersedes any previous discussions, negotiations and agreements, whether written or verbal, pertaining to the Work.
- 2.02** If there is a conflict or inconsistency between any of the documents forming part of the Subcontract:
- (a) A document that expressly states that it amends another document shall take precedence over that other document;
 - (b) Documents of a later date govern over those of earlier dates; and
- in the absence of an express statement, the order of precedence shall be as follows (in decreasing order of precedence):
- (c) Change orders and change directives, but only in respect of the Work to which the change made by the change order or change directive relates;
 - (d) The signed document entitled "Subcontract Agreement"; and
 - (e) The Appendices, and in the event of any conflict or inconsistency between two Appendices, the Appendix most directly and specifically related to the subject matter of the conflict or inconsistency shall take precedence.
- 2.03** Should Subcontractor identify what it considers to be any conflict, inconsistency, error or omission among the various Subcontract Documents, it shall immediately identify such to Contractor and the Parties shall cooperate and work together to resolve any conflicts, inconsistencies, errors or omissions in a manner satisfactory to the Contractor. Subcontractor shall be liable to the Contractor for damages resulting from such conflict, inconsistencies, errors or omissions in the Subcontract Documents if Subcontractor, with the exercise of reasonable care should have recognized such conflict, inconsistency, error, omission, or difference and failed to promptly report it to the Contractor.

Article III. SUBCONTRACT PRICE & HOLDBACK

- 3.01 As full consideration for performing the Work, subject to additions and deductions as set out in the Subcontract, Contractor will pay the Subcontractor the Subcontract Price in accordance with the provisions of this Subcontract and **Appendix "D"**.
- 3.02 Contractor shall retain from all payments otherwise due and payable to Subcontractor an amount equal to that which is required to be retained as holdback pursuant to the applicable law with respect to liens, or, in any case, an amount equal to ten (10%) percent of the amount of the payment that is due and payable ("Holdback").

Article IV. GOVERNING LAW

- 4.01 This Subcontract shall be governed by the laws as set forth in the Prime Contract provided or, if not expressed, then the Province of Alberta and all federal laws applicable therein without giving effect to any choice of law rules thereof which may direct the application of laws of another jurisdiction, provided that the laws of the place of the Work shall govern the Work.

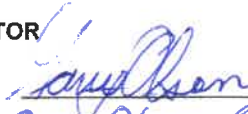
Article V. NOTICES

- 5.01 All notices, permitted or required to be given under this Subcontract, shall be in writing. Notices in writing between the parties when addressed or directed to the parties at the mailing address or electronic mail addresses (confirmed by read receipt) provided above, and shall be effective on the date of delivery if delivered personally or by commercial courier; or on the third (3) business day of the date of mailing if sent by mail, postage prepaid; or on the date confirmed read. Minutes of meetings, whether confirmed in writing or not, shall not in themselves constitute notice, either formal or informal, where notice is called for in the Subcontract or Prime Contract.

IN WITNESS WHEREOF the parties execute this Subcontract by their respective authorized representatives on the day and year first above written.

CONTRACTOR

Signature:


Name/Title: Barry Olson Const. manager

SUBCONTRACTOR

Signature:


Name/Title: CORY PICHOTA / PRESIDENT / COO

APPENDIX "A"
General Conditions

GC 1. Performance of Work & Nature and Location of Work

- 1.1 Subcontractor shall perform the Work and its other obligations under the Subcontract as described and in strict compliance with the Subcontract. Subcontractor shall supply or cause to be supplied all services, equipment and materials required for the proper execution of the Work.
- 1.2 Subcontractor agrees that it shall (i) efficiently and expeditiously perform all Work in a good and workmanlike manner and shall ensure that all necessary rights of access and other land rights, drawings and materials necessary for the efficient and expeditious performance of the Work, or any portion thereof, are in its possession prior to commencing the Work or any portion thereof; (ii) exercise, in its performance of the Work, standard of care and skill normally exercised by leading contractors performing construction work on projects substantially similar to the Work; and (iii) perform the Work in a safe and environmentally sound, expeditious and economical manner consistent with this Subcontract;
- 1.3 Subcontractor warrants that it has made careful examination of the Subcontract and is familiar with the nature and location of the Work, the general and local conditions, particularly those conditions which relate to construction techniques, transportation, disposal, handling and storage of materials, availability of labour, labour accommodations, road use requirements water, power, roads and uncertainties caused by weather, river stages or similar physical conditions, conditions and composition of the ground and terrain work space, right-of- way access and the right-of-way in all other aspects, equipment and facilities needed prior to and during the Work and other matters which may affect the Work, and that such considerations have been factored into, and are included in the Work Schedule and the Subcontract Price. Subcontractor acknowledges that it may be required to perform the Work in the same construction area, using the same facilities, as Owner, Contractor, other contractors of the Owner, or other subcontractors. Subcontractor shall schedule its Work in coordination with Contractor to accommodate work by all parties, and shall carry out its Work in a way that will not delay the work of Contractor or of other subcontractors on the Project. Subcontractor agrees that all costs and additional time related to this interfacing are included in the Work Schedule and the Subcontract Price. Subcontractor warrants that its failure to assess any of the foregoing considerations will not relieve it of its responsibility to complete the Work in accordance with the Work Schedule, at the Subcontract Price, at no additional cost to Contractor.
- 1.4 Subcontractor shall co-operate fully with the Contractor, the Owner and their respective employees and other contractors and all other parties whom the Subcontractor may be involved during the performance of the Work.

GC 2. Laws and Permits

- 2.1 Subcontractor shall, at all times, during the performance of the Work comply with all applicable laws, by-laws, rules, regulations and orders made by any government authority or regulatory body. Subcontractor shall be liable for and, in addition, shall indemnify and hold harmless Contractor, Owner, and their respective directors, officers, employee's agents and representatives, against any liability, costs and expenses arising from the failure of Subcontractor to comply with such laws, by-laws, regulations and orders.
- 2.2 Subcontractor shall obtain all other permits, licenses and certificates required for the performance of the Work.

GC 3. Instructions and Decisions

- 3.1 Subcontractor shall comply with all instructions issued by Contractor in relation to the Work. Should Subcontractor hold such instructions to be at variance with this Subcontract or to involve changes in work already built, fixed, ordered or in hand or to be given in error, it shall notify Contractor before carrying out such instructions. If Contractor, following receipt of notice from Subcontractor hereunder, confirms its instructions to Subcontractor, Subcontractor shall comply with such instruction without delay.

GC 4. Work Schedule Compliance

- 4.1 Contractor may at any time adjust (a) the order and priority for performance of the various components of the Work; and (b) the Work Schedule and the required completion date without any additional compensation being owed to Subcontractor except as may otherwise be authorized or allowed under GC 6. Subcontractor shall at all times perform the Work in accordance with the Work Schedule and to the extent Contractor's performance of any work is reliant on Subcontractor's performance of the Work, in such manner as to ensure Contractor is performing its work in accordance with the Contractor's schedule pursuant to the Prime Contract as set forth in Appendix "G" as may be revised from time to time ("Contractor's Overall Project Schedule"). If Subcontractor reasonably believes that it will be delayed in meeting the dates or milestones set forth in the Work Schedule, it shall immediately give written notice of such delay to Contractor.
- 4.2 If Subcontractor gives notice of delay to Contractor hereunder, or if Contractor determines, in its sole discretion that Subcontractor will not meet the dates or milestones set forth in the Work Schedule, or if Contractor determines that it will not

APPENDIX "A" General Conditions

meet the dates set forth in Contractor's Overall Project Schedule as result of Subcontractor, then upon request from Contractor, Subcontractor shall prepare and provide to Contractor a recovery plan within two (2) calendar days of receipt of the notice. The recovery plan will set forth in reasonable detail the manner in which Subcontractor intends to meet the dates set forth in the Work Schedule or the Contractor's Overall Project Schedule, as the case may be, and shall require Subcontractor to take such steps as are necessary to make up the lost time and to avoid further or other delays in the performance of the Work, including, if necessary, work overtime, acquire and utilize necessary additional equipment, increase its work force or perform other such acts as may be necessary to return the work to the Work Schedule as soon as possible, at no additional cost to Contractor. If Contractor has not commented within seven (7) days, it shall be deemed to have reviewed the plan without comment. Subcontractor shall promptly implement and thereafter shall diligently continue to adhere to the recovery plan in order to meet the dates set forth in the Work Schedule.

- 4.3 To the extent permitted by applicable law, Subcontractor shall reimburse and indemnify Contractor for any and all costs and actual damages that may be incurred, assessed against and/or collected from Contractor arising from a delay that is in any way caused by or attributable to Subcontractor. In the event that Contractor or Owner is the sole cause of the delay, then Contractor will reimburse Subcontractor for the reasonable and substantiated costs of any action requested by Contractor and undertaken by Subcontractor in accordance herewith, provided that Contractor is able to recover such costs pursuant to the Prime Contract.

GC 5. Supervision and Subcontractor's Work Force

- 5.1 Subcontractor shall keep on the Project, during the course of the Work, a designated responsible person and any necessary assistants, all satisfactory to Contractor. This person shall not be changed except with the consent of Contractor, unless such person ceases to be in Subcontractor's employ. This designee shall represent Subcontractor and directions given to him shall be held to be given to Subcontractor.
- 5.2 Subcontractor shall give efficient supervision to the Work, using its best skill and attention. All personnel of Subcontractor and its lower-tier subcontractors at the Project site shall speak, write and understand the English language without difficulty. Subcontractor shall not employ in the Work any unfit person or anyone not skilled to perform the work assigned. Any employee or subcontractor of Subcontractor deemed by Contractor, in its sole discretion, to be unfit or unskilled to perform the work assigned, shall be removed from the Project site immediately upon Contractor's request and shall be forthwith replaced by Subcontractor at no additional cost to Contractor. Subcontractor hereby releases and forever discharges and holds harmless Contractor and Owner from any costs, claims, losses, and damages of any kind whatsoever based on negligence, defamation, wrongful discharge/dismissal or otherwise which Subcontractor may suffer, sustain, pay or incur as the result of any removal and will indemnify, defend and hold harmless Contractor and Owner against any third party claims based on such removal.
- 5.3 Subcontractor agrees to abide by the wages and conditions of any Project terms and conditions.

GC 6. Changes to the Work

- 6.1 Contractor may at any time, by written order to Subcontractor, make any change in, addition to, or omission from the Work (each a "Change"), and Subcontractor shall promptly proceed with the performance of the Work contemplated by the Change.
- 6.2 Any increase or decrease in the compensation owing to Subcontractor as a result of a Change or adjustment to the Work Schedule shall be agreed upon in writing by Parties and in the Subcontract Change Order form provided for in Appendix "G" or such other form as required by the Contractor (each a "Change Order") and the valuation of the adjustment in compensation shall, at the discretion of Contractor, be determined in accordance with one or more of the following methods or any combination of same:
- (a). in accordance with the Prime Contract;
 - (b). by cost and a percentage of fees;
 - (c). by application of the time and material rates set forth in Appendix "D";
 - (d). by unit price;
 - (e). by a lump sum price.
- 6.3 Within two (2) calendar days of Contractor's notice of Change, Subcontractor shall promptly provide to Contractor a written quotation from Subcontractor for an adjustment in the compensation and/or adjustment in the Work Schedule by completing the information and details required in the Change ("Subcontractor Quotation"). If Subcontractor fails to provide the Subcontractor Quotation, Subcontractor agrees to waive any and all right to a Change Order.
- 6.4 Contractor will either agree with the Subcontractor Quotation or give Subcontractor notice that the Subcontractor Quotation is not acceptable. If Contractor requires Subcontractor to proceed with the Change before Contractor and Subcontractor agree

APPENDIX "A"
General Conditions

that an adjustment in the compensation and/or adjustment to the Work Schedule is warranted or if Contractor and Subcontractor have agreed that any such adjustment is warranted but have failed to agree upon the Change Order, Contractor shall issue a written instruction from Contractor directing the Change ("Change Directive"). Upon receipt of a Change Directive, Subcontractor shall proceed promptly with the Change, and Subcontractor shall maintain complete and accurate records of the cost incurred due to the Change (including daily records, to be signed by the Contractor describing the work performed, including the time, materials and equipment employed in respect of the Change), and submit on a weekly basis detailed summaries of the costs incurred due to the Change implemented due to the Change Directive. Neither the keeping of said records nor the signing of those records by the Contractor shall be considered as an admission of entitlement to payment by Contractor. If Subcontractor fails to maintain and complete such records, Subcontractor agrees to waive any and all right to a Change Order. At no time whatsoever shall Subcontractor allow the failure to agree to a Change Order to impede or in any manner whatsoever, affect its performance of the Work.

- 6.5** If Subcontractor identifies that it is entitled to a Change Order under the Subcontract, Subcontractor shall within two (2) calendar days from its identification of such issue, provide Contractor with a written notice in the Subcontract Request for Change form provided for in **Appendix "G"** or such other form as required by the Contractor ("Subcontractor Change Request"). If Subcontractor fails to provide such notice, Subcontractor agrees to waive any all right to a Change Order. The Subcontractor Change Request must be in the Subcontract Request for Change form provided for in **Appendix "G"** or such other form as required by Contractor and (i) be supported with sufficient detail, documentation and explanation in order to enable Contractor to assess the validity of said request; and (ii) include a Subcontractor Quotation. Inadequately supported Subcontractor Change Requests will be rejected by Contractor in writing and returned to Subcontractor for its withdrawal or for its revision and resubmission. Upon receipt of a properly supported Subcontractor Change Request, Contractor shall either (a) issue a Change Order approving the Subcontractor Change Request in whole or in part; (b) issue, in writing, a notification requesting further information or explanation to support the Subcontractor Change Request or if applicable, directing Subcontractor to use a different method or combination of methods of determining its proposed adjustment in compensation as set forth in this **GC 6** and Subcontractor shall respond within two (2) calendar days; or (c) notify the Subcontractor that the Subcontractor Change Request has been rejected.
- 6.6** Any dispute arising from a Change, a Subcontractor Quotation, a Change Directive, or a Subcontractor Change Request shall be resolved in accordance with **GC 37**.
- 6.7** No adjustment to the method of calculating the adjustment in compensation will be made by Subcontractor on account of productivity impact costs, or the cumulative effect of all Changes.
- 6.8** Notwithstanding anything contained in this **GC 6**, Subcontractor shall be entitled to an extension in Work Schedule or an adjustment to the Subcontract Price only if, and to the extent that, Contractor is entitled to an extension or adjustment under the Prime Contract.
- GC 7. Reporting**
- 7.1** Subcontractor shall comply with any reporting requirements of Contractor, at the time intervals specified by Contractor, pertaining to the performance of the Work and progress made therewith, including provision of any data, information and documents concerning costs, activities, schedule, material management, equipment, labour force, site data, injuries, safety, local content, forecasts and deliveries.
- GC 8. Project Documentation**
- 8.1** Subcontractor shall supply shop drawings in the number and in accordance with the procedure and schedule of transfer as Contractor may reasonably determine, from time to time.
- 8.2** Subcontractor shall supply all as-built drawings, maintenance manuals, instructions, brochures, guarantees, warranties, certificates and other similar documents related to the Work in a manner and at a time determined by Contractor but in any event not later than Subcontractor's final progress payment or two (2) weeks before Owner's final inspection, whichever is earlier.
- GC 9. Payment and Documentation for Payment**
- 9.1** No later than the fifth (5th) day of each calendar month, the Subcontractor shall prepare, review with the Contractor and if agreed to, submit to the Contractor an invoice as approved by the Contractor, for payment for the Work completed by the Subcontractor for the previous month. Subject to Subcontractor submitting to Contractor all documentation required to substantiate the application for progress payment or for Work under a Change Order, payment to Subcontractor by Contractor of the amount approved by Contractor, less Holdback, shall become due and payable thirty (30) days after approval by Contractor of

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~~Subcontractor's properly prepared and substantiated application for progress payment or work performed under a Change Order or seven (7) days after Contractor has received payment from Owner on that account, whichever is the later.~~

- [Handwritten initials]*
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- 9.2 Contractor may require Subcontractor to make changes to progress applications as reasonably necessary to protect Contractor or Owner from loss or damage arising from Subcontractor's performance or non-performance of the Work and/or Subcontractor's default under the terms of the Subcontract. Where any changes have been made to a progress claim as submitted by Subcontractor, Subcontractor shall be notified and given the opportunity to defend his or her submission without delay.
- 9.3 Subject to all requirements for payment under this Subcontract and all applicable legislation including the applicable Builders Lien Act, any Holdback shall be due and payable thirty (30) days after the Builders' Lien rights in respect thereof expire or thirty (30) days after receipt of such amount by Contractor from Owner, whichever is the later.
- 9.4 When the Work has been completed and provided the period for filing liens under the applicable legislation including the applicable Builders Lien Act has expired, the Contractor and Subcontractor shall make and agree upon the final cost of the Work so completed. From this final cost, which shall include all Work performed under Change Orders which remain outstanding, Subcontractor shall prepare its final invoice in the form approved by the Contractor. Subject to Subcontractor submitting to Contractor all documentation required to substantiate the application for final payment, payment to Subcontractor by Contractor of the amount approved by Contractor, shall become due and payable thirty (30) days after approval by Contractor of Subcontractor's properly prepared and substantiated application for final payment or seven (7) days after Contractor has received payment from Owner on that account, whichever is the later.
- 9.5 Prior to the release of any progress payment or payment for Work performed under a Change Order, Contractor may require Subcontractor to execute and submit:
- (a). A Statutory Declaration in the form provided for in **Appendix "G"** or as otherwise required by Contractor, stating that all obligations, indebtedness, liabilities and assessments with respect to the Work and extra work, if any have been paid in full;
 - (b). A current clearance letter from the Provincial or Territorial Workers' Compensation Board;
 - (c). A current clearance letter from the Provincial or Territorial Revenue Authority where the subcontracted work was performed;
 - (d). Subcontractor's progress measurement in the form provided for in **Appendix "G"** or as otherwise required by Contractor; and
 - (e). Such other documents required by the Prime Contract for submittal execution in relation to a progress payment or as otherwise required by the Contractor, acting reasonably.
- 9.6 Before any Holdback or final payment is made to Subcontractor, Subcontractor will be required to furnish the following documentation to Contractor:
- (a). A Statutory Declaration in the form provided for in **Appendix "G"** or as otherwise required by Contractor stating that all obligations, indebtedness, liabilities and assessments with respect to the Work and the extra work, if any, have been paid;
 - (b). A current Clearance Letter from the Workers' Compensation Board of the Province or Territory where the subcontracted work was performed;
 - (c). A current clearance letter from the Provincial or Territorial Revenue Authority where the subcontracted work was performed;
 - (d). Subcontractor's Release provided for in **Appendix "G"** or such other form as required by Contractor;
 - (e). Tax documentation, as applicable;
 - (f). Subcontractor's progress measurement in the form provided for in **Appendix "G"** or as otherwise required by Contractor; and
 - (g). Such other documents as required by the Prime Contract for submittal or execution in relation to holdback or final payments or as otherwise required by the Contractor, acting reasonably.

GC 10. Payment of Bills

- 10.1** Subcontractor shall promptly and satisfactorily settle and pay for all accounts, claims, assessments and other indebtedness incurred by Subcontractor in the performance of the Work. If Subcontractor fails to settle and pay such accounts, claims, assessments and other indebtedness, and such failure continues for a period of two (2) days following written notice of same, Contractor shall have the right to pay such accounts, claims, assessments and other indebtedness for the account of Subcontractor and shall be entitled to recover such amounts from Subcontractor in accordance with **GC 28**. The receipt issued to Contractor with respect to such accounts, claims, assessments and other indebtedness shall be conclusive evidence as to such payments and the amounts thereof.
- 10.2** Subcontractor shall, at its sole cost and expense, pay when due, all government sales taxes, goods and services taxes, value added taxes, customs duties and excise taxes, and any other taxes, charges or levies which may be imposed with respect to this Subcontract. If requested, Subcontractor shall provide Contractor with evidence that such taxes, duties, charges or levies have been paid. Where any exemption or recovery of such taxes, duties, charges or levies is available in respect of any payment made or to be made under this Subcontract, Subcontractor shall provide Contractor with all assistance and shall execute, deliver and file all documentation required to facilitate such exemption or recovery by Contractor. Any monies recovered shall accrue solely to the benefit of Contractor.
- 10.3** Where Subcontractor is a non-resident of Canada for the purposes of the *Income Tax Act (Canada)* (the "ITA") and has not obtained and provided to Contractor a non-resident withholding tax waiver at such time as Contractor makes any payment to Subcontractor for Work rendered by it to Contractor in Canada, Contractor shall withhold such percentage of any payment made by it for the Work as it is from time to time mandated under the ITA and shall remit the withheld amount to Canada Revenue Agency in the manner and at the time required by the ITA. In the event that Contractor is assessed for any non-resident withholding taxes payable, Subcontractor agrees to forthwith reimburse Contractor for such amount together with applicable interest and penalties, if any, charged by the Canada Revenue Agency.
- 10.4** Subcontractor hereby represents that it is duly registered for the purposes of the GST legislation and will remain so registered during the currency of its dealings with Contractor.

GC 11. Storage, Housekeeping and Hazardous Materials

- 11.1** Contractor may, in its sole discretion, designate space at the Project site for Subcontractor's working and storage areas and shall advise Subcontractor of any restrictions and conditions relating thereto. Contractor shall not be responsible for any theft of or loss or damage to the tools, equipment or materials of Subcontractor, its lower-tier subcontractors, and their respective employees or any third party howsoever caused. Subcontractor shall at all times be responsible for keeping its working and storage areas and the Project site clean, orderly and secure, and free from waste materials or rubbish, including surplus materials, containers, trash and debris. Subcontractor shall adequately protect the Work from damage and shall not cause damage to the work or property of others. In the event of any damage to the work or property of others, Contractor shall have authority to assess such damages, and Subcontractor shall be responsible for the costs in making good such damage.
- 11.2** Neither Subcontractor nor its lower-tier subcontractors shall, in relation to the Work, handle, use, store, transport or dispose or permit the handling, use, storage, transportation or disposal of Hazardous Materials except as required by this Subcontract and in strict accordance with all applicable laws. For the purposes of this Subcontract, "Hazardous Materials" means any pollutant, contaminant, constituent, chemical, mixture, raw material, intermediate product, finished product or by-product, hydrocarbon or any fraction thereof, asbestos or asbestos-containing material, polychlorinated biphenyls, or industrial, solid, toxic, radioactive, infectious, disease-causing or hazardous substance, material, waste or agent, including all substances, material or wastes which are identified or regulated under any applicable law or otherwise stipulated as such under the Prime Contract or the Subcontract, or which may threaten life or property or adversely affect human, animal or vegetation health or the environment.
- 11.3** Upon final completion of the Work, Subcontractor shall leave the Project site clean, safe and ready for use and occupation by Contractor or Owner, as applicable. Subcontractor shall restore all land and property within or outside the Project site that may be damaged, occupied or crossed in performance of the Work, including buildings, fences, hedges, roads, railroads, bridges, culverts, drainage ditches, irrigation ditches and levees, to substantially the same condition as before Subcontractor commenced the Work.
- 11.4** All housekeeping, daily and final clean-up, and care and handling of materials in connection with the Work of this Subcontract shall be performed by Subcontractor at its own cost. If Subcontractor fails to perform the foregoing services as required, Contractor may, in its sole discretion, perform or arrange for the performance of such services, and: (i) deduct and set-off the

costs for same from any payment due or which may become due to Subcontractor in accordance with **GC 30**; or (ii) invoice Subcontractor for such costs, which invoiced costs Subcontractor shall forthwith pay to Contractor.

GC 12. Health, Safety and Environment

- 12.1** Subcontractor shall place the highest importance on safety and loss management during performance of the Work. Subcontractor shall, at all time, be responsible for safety and loss management including, but not limited to, protecting the employees and agents of the Owner, the Contractor, the Subcontractor, and its lower tier subcontractors, and the general public from injury or death and protecting the Owner's and Contractor's property and the property of third parties from loss or damage. Without limiting the generality of the foregoing and the other requirements of this **GC 12**, Subcontractor shall comply with all occupational health and safety laws, regulations, orders, directives, codes, and guidelines.
- 12.2** Contractor has a project health, safety and environmental program as provided for in **Appendix "G"**, as may be amended from time to time ("Subcontractor HS&E Standard"). In addition, the Owner has health, safety and environmental requirements pursuant to the Prime Contract ("Owner's Safety Program"). Subcontractor shall participate in and strictly abide by the requirements of the Subcontractor HS&E Standard and the Owner's Safety Program as a minimum and shall require its personnel to strictly abide by the requirements of Subcontractor HS&E Standard and the Owner's Safety Program. Subcontractor will assign a person with relevant knowledge and experience that is capable of contributing to the program and such person shall be made available by Subcontractor to serve on Contractor's safety committee. Subcontractor shall ensure that its employees and the employees of its lower tier subcontractors and suppliers and any person directly or indirectly employed by them complete Contractor's, or the Owner's (as the case may be) safety orientation program prior to commencing work. Subcontractors' head office representative and supervisor responsible for on-site activities are required to attend Contractor's or Owner's (as the case may be) site specific subcontractor safety policy meeting.
- 12.3** Subcontractor is required to institute a safety program on the Project. Such program and all reporting procedures shall be ancillary to Contractor's Subcontractor HS&E Standard and Owner's Safety Program and their respective reporting requirements. A copy of Subcontractor's safety program is to be supplied to Contractor within fourteen (14) days of the date of this Subcontract, and where possible, at least seven (7) days before the commencement of Work. Subcontractor will identify any deficiencies in its health, safety and environment program in relation to Contractor's program, and will develop, implement and complete an action plan to align its program with Contractor's program prior to the commencement of Work.
- 12.4** Subcontractor shall immediately comply with all orders regarding safety issued by any governmental, regulatory, administrative authority (including any court, tribunal or judiciary body) having jurisdiction over the Project, Contractor, or Owner.
- 12.5** If Subcontractor, its lower tier subcontractors, suppliers or any persons directly or indirectly employed by them fails to comply with the provisions of this **GC 12**, Contractor may immediately suspend the progress of the Work and may take whatever measures it deems necessary to ensure compliance and to maintain the requisite health, safety and environmental standards on the Project site, including immediately terminating this Subcontract for cause and seeking recovery from Subcontractor in accordance with **GC 23**. Subcontractor shall be liable for all costs and expenses, including any penalties or fines assessed under applicable occupational health and safety legislation that Contractor or Owner may incur as a result of the non-compliance herewith by Subcontractor, its lower tier subcontractors, suppliers or any person directly or indirectly employed by them.
- 12.6** Subcontractor shall immediately notify Contractor of any safety incident, accident or dangerous occurrence or near miss that may occur in performing the Work at the Project site and provide Contractor with all information and documents that it may request relating to such safety incident. Subcontractor is responsible for investigating any safety incident at the Project site. Subcontractor's responsibility to investigate pursuant to this **GC 12** shall not affect Contractor or Owner's right to perform any investigations it deems necessary and Subcontractor shall cooperate with Contractor to facilitate such investigations.

GC 13. Emergencies

- 13.1** Contractor has authority in an emergency to stop the progress of the Work whenever, in its opinion, such stoppage may be necessary to ensure the safety of life, or any part of the Project, or neighboring property. Contractor has the authority to make changes and to order, assess and award the costs of work extra to the Subcontract or otherwise as maybe necessary, in its sole opinion, to ensure such safety.

GC 14. Labour Affiliation

- 14.1** From time to time, there may be present on the site both unionized and non-unionized workers, including the employees of Owner or Contractor. Subcontractor acknowledges and agrees, and will ensure that each of its lower tier subcontractors and suppliers acknowledges and agrees that it will not permit any union organizing activity on site during working hours by any of its

employees and by representatives of its unions, and that it shall abide by the site rules established by Contractor regarding site visits by trade union representatives to its employees.

GC 15. Project Materials and Equipment

15.1 Subcontractor shall not remove any materials or equipment (including its own construction equipment) brought on to the Project site for incorporation into the Work or for use for the performance of Work without the prior written consent of Contractor.

GC 16. Trial Assemblies and Samples

16.1 Subcontractor shall furnish Contractor such "mock-ups", trial assemblies and samples as may reasonably be required at such times and in the manner requested by Contractor.

GC 17. Inspection and Tests

17.1 Subcontractor shall perform any inspections and tests related to the Work as may reasonably be required by Contractor, in addition to the inspections and tests called for in the Work Scope and the Prime Contract. Subcontractor shall submit to Contractor copies of all inspection and test reports carried out by or for Subcontractor within three (3) days of Subcontractor's receipt of same.

17.2 If the Work to which such additional inspections and tests relate is found to be in accordance with the requirements of the Prime Contract, then the costs of the additional inspection and testing shall be paid for by Contractor, only where Contractor is reimbursed for the same inspection pursuant to the Prime Contract; otherwise, the costs shall be paid for by Subcontractor. Testing agencies, their inspectors and/or representatives, whether employed by Contractor or Owner, shall have no authority to revoke, relax, enlarge or release any requirement of the Subcontract or Prime Contract, nor to approve or accept any part of the Work.

17.3 Owner and Contractor shall each have the right to undertake quality audits and verification of Subcontractor's Work and any Work performed by its lower tier subcontractors to ensure that the Work is being performed and completed in accordance with the requirements of the Subcontract. Subcontractor shall cooperate with Owner and Contractor in the carrying out of any such quality audits and verification.

17.4 The work of other contractors and subcontractors is also subject to inspections and tests. Subcontractor shall not cover up or conceal the work of others until all inspections and tests have been completed. If any such work is covered up without the approval or consent of Contractor, it shall be uncovered for inspection and made good at Subcontractor's cost.

GC 18. Title and Risk of Loss

18.1 The title to all Work completed or in the course of construction at the Work site, and title to all materials, equipment and supplies furnished or being fabricated by Subcontractor or its lower-tier subcontractors in connection with the Work, except tools and equipment owned or rented by Subcontractor or its lower-tier subcontractors and not intended to be incorporated into the Work, shall become the property of Contractor free and clear of any encumbrance upon the earlier of payment therefor by Contractor or delivery thereof to the Work site. Title to any items supplied by Contractor to Subcontractor for incorporation into or use in performing the Work shall at all times remain with Contractor, free and clear of any encumbrance by Subcontractor or its lower-tier subcontractors.

18.2 Notwithstanding the foregoing, Subcontractor shall be responsible for and bear the risk of loss with respect to: (i) all items supplied by Subcontractor or its lower-tier subcontractors which are to be incorporated into or used in performance of the Work; (ii) all items supplied by Contractor to Subcontractor for incorporation into or for use in performing the Work from the date of delivery; (iii) all temporary structures or facilities used in the performance of the Work; and (iv) any Work completed or in progress; until completion of the Work, or earlier termination of the Subcontract by Contractor, in accordance herewith. Notwithstanding the foregoing, Subcontractor shall bear the complete risk of loss, destruction or damage with respect to any Subcontractor-owned items, structures and equipment.

GC 19. Rejected Work

19.1 Subcontractor shall at its cost promptly remove from the Project any defective work, whether the result of poor workmanship, use of defective materials, damage through carelessness or other act or omission of Subcontractor, which has been so determined by Contractor or Owner, whether incorporated in the Work or not. Subcontractor shall promptly replace and re-execute, at its cost, such defective or condemned work, and pay for any damages in connection therewith.

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19.2 If, in the opinion of Contractor, Subcontractor is not expedient in correcting the defective work, Contractor, in addition to any other right or remedy it may have, shall have the right to withhold payment to Subcontractor, or deduct the value of such defective work or work not conforming to the requirements of the Prime Contract from any payment due or which may become due to Subcontractor. The value of such defective work or work not conforming to the requirements of the Prime Contract shall be determined by Contractor or Owner as the case may be. In addition, Contractor may correct such defective work on its own or have other contractors correct such defective work, in which case, Subcontractor shall be liable to Contractor for all additional costs and expenses incurred by Contractor in correcting the defective work plus Contractor's administrative costs to be calculated at fifteen (15%) percent of said costs.

GC 20. Partial Occupancy

20.1 Should Contractor or Owner request partial occupancy, Subcontractor shall prepare the portion of the Work necessary for partial occupancy without additional cost to Contractor.

20.2 No payment, use or occupancy of the Work by Contractor or Owner shall be deemed acceptance or approval of the Work or as a waiver of any claims, rights, or remedies of Contractor.

GC 21. Force Majeure

21.1 For the purposes of this clause, "Force Majeure" means any circumstance (other than a party's financial position or ability to make payments as required hereunder as and when due, howsoever caused) not foreseeable at the date of execution of the Subcontract arising without the fault of the delayed party, and which, by the exercise of reasonable diligence, such party is unable to provide against, including: riot, war, terrorism, nuclear instability, acts of God, epidemic, earthquake and other natural physical disaster (excluding seasonal weather conditions, however severe), any action taken by a governmental or public authority including embargo, import/export restriction, rationing or other restriction or prohibition; however, expressly excluding strikes, labour disputes or labour shortages involving Subcontractor's workforce (including employees and contractors) and suppliers.

21.2 Neither Subcontractor nor Contractor shall be liable for any failure to fulfil any term or condition of the Subcontract to the extent that fulfillment has been delayed or temporarily prevented by an event of Force Majeure except as otherwise provided for in this GC 21. Upon becoming aware of an event of Force Majeure impacting the Work, the delayed party shall notify the other party, giving full particulars thereof, and shall use all reasonable efforts to mitigate, at its own cost, against the effects of the Force Majeure event on the Work and the Work Schedule.

21.3 Where Work is performed by Subcontractor on a lump sum or unit price basis, the Work Schedule, but not the Subcontract Price, may be adjusted in accordance with GC 6 of the Subcontract. Where Work is not performed by Subcontractor on a lump sum or unit price basis, the Work Schedule and the Subcontract Price may be adjusted in accordance with GC 6 the Subcontract.

21.4 If any event of Force Majeure results in a delay exceeding ninety (90) cumulative days, Contractor may terminate this Subcontract in accordance with GC 22.

GC 22. Suspension or Termination of the Subcontract

22.1 At any time and without cause, Contractor may suspend the Work or any portion thereof by providing written notice in writing to Subcontractor. Subcontractor shall resume the Work on the date fixed in the notice or as otherwise directed by Contractor, acting reasonably. Subcontractor shall continue to perform all Work that is not suspended. Subcontractor shall be entitled to amounts owed to Subcontractor for Work performed up to and including the date of suspension.

22.2 Upon written notice to Subcontractor, Contractor may, without cause and without prejudice to any other right or remedy of Contractor, terminate the Subcontract in whole or in part. In the event of such termination, Subcontractor shall be entitled to amounts owed to Subcontractor for Work performed up to and including the date of termination, together with reasonable demobilization costs, to the extent Contractor has received corresponding payments from Owner, and in consideration for same, agrees to waive any and all claims for damages as relates to such termination, including but not limited to loss of anticipated profits on account of the Subcontract. Upon receipt of any termination notice hereunder and unless the notice directs otherwise, Subcontractor shall:

- (a). Discontinue Work on the date and to the extent specified in the notice;
- (b). Issue no further sub-subcontracts or purchase orders for materials, equipment, services or facilities, except as may be necessary for completion of such portion of Work that is not terminated;
- (c). Promptly make every effort to cancel, upon terms reasonably satisfactory to Contractor, all of its sub-subcontracts and purchase orders to the extent they relate to the performance of terminated Work; and
- (d). Perform only such Work as may be necessary to preserve and protect Work in progress and to protect materials and equipment in transit, at the Site, or at other locations where Work is being performed.

GC 23. Contractor's Rights on Subcontractor's Default

23.1 If Subcontractor:

- (a). Neglects to prosecute the Work in accordance with this Subcontract, or otherwise breaches the terms of this Subcontract, and such default continues for a period of two (2) days following Subcontractor's receipt of written notice from Contractor thereof;
- (b). Becomes insolvent, bankrupt, or commits another act of bankruptcy; or makes a general assignment for the benefit of its creditors; or if a receiver or trustee is appointed for Subcontractor's business or assets or a part thereof; or if Subcontractor is unable to meet its financial obligations as they become due; or
- (c). Is or is likely to be, as determined by Contractor in its sole discretion, impacted in its performance of the Work by a labour dispute or disruption, actual or threatened, caused by Subcontractor's workers, its lower tier subcontractors, suppliers, agents or their workers;

then Contractor may, without prejudice to any other right or remedy it may have under this Subcontract, by law or in equity, suspend Subcontractor's right to continue with the Work, or immediately terminate the Subcontract for cause. If Contractor suspends the Work or terminates the Subcontract in accordance herewith, Contractor is entitled to take possession of all materials, tools, equipment, appliances and construction equipment of Subcontractor and take any and all steps to necessary to complete the Work, at Subcontractor's sole cost and expense.

Payments otherwise due to Subcontractor may be withheld by the Contractor on account of the following, as determined by Contractor or Owner: (a) defective Work not remedied; (b) any breach by Subcontractor of any provision or obligation of this Agreement; (c) failure of Subcontractor to make payments for labour, equipment, supplies and/or materials or Contractor's reasonable belief in the likelihood of potential claims from third parties (including potential claims by Owner in the case of Contractor) in respect of such non-payment; and/or (d) failure of Subcontractor to submit in a timely manner, required documentation including but not limited to certified payrolls, shop drawings, submittals, safety records and documentation, and/or quality compliance reports and similar documentation. In the event it appears to Contractor that Subcontractor is unable to satisfy obligations arising out of or in connection with the performance of the Subcontract, or Subcontractor has failed to satisfy any lien or bond claim(s), the Contractor or Owner, in their respective sole discretion, may take such steps as either of them shall deem necessary, to verify or ensure that payments to Subcontractor will be utilized to satisfy such obligations.

23.2 In the event of termination or suspension hereunder:

- (a). Subcontractor shall be liable to Contractor for all additional costs and expenses incurred by Contractor in completing the Work that would not have been incurred but for the termination or suspension plus Contractor's administrative costs to be calculated at fifteen (15%) of said costs;
- (b). Subcontractor shall not be entitled to further payment until the Work is complete and Contractor has fully ascertained the costs incurred resulting from the termination or suspension. Any amount payable to Subcontractor for the Work satisfactorily performed up to the date of termination or suspension (as the case may be) will be offset by the costs incurred by Contractor resulting from the termination or suspension; and
- (c). Subcontractor shall execute and deliver to Contractor all documents required by Contractor, and shall take all steps required by Contractor to fully vest in Contractor rights, title, benefits in and to the Work and all things relating thereto.

23.3 Contractor's rights and remedies pursuant to this GC 23 are in addition to any other rights in the Subcontract or at law.

GC 24. Warranties

24.1 Subcontractor's warranties with respect to the Work are as set out in **Appendix "B"** hereto.

GC 25. Liability and Indemnity

25.1 Subcontractor shall be liable to and in addition shall defend, indemnify and hold harmless Contractor, Owner, and their respective directors, officers, employees agents and representatives from and against all claims, demands, losses, costs, damages, expenses, actions and causes of action suits or proceedings whatsoever (including legal fees on a solicitor and own client basis) including any loss or damage relating to personal injury or death caused by or arising out of or in connection with, whether directly or indirectly, the performance of the Work or by reason of any matter or thing done or omitted to be done, or any breach of the provisions of this Subcontract, by Subcontractor, its subcontractors, suppliers and their respective directors, officers, employees, agents and representatives or any one for whom Subcontractor is responsible at law.

GC 26. Insurance

26.1 Subcontractor and Contractor responsibilities for insurance coverage are as set out in **Appendix "B"** hereto.

GC 27. Bonds

27.1 Subcontractor's obligations to provide security regarding its performance of the Work, including without limitation, bonds are set out in **Appendix "B"** hereto.

GC 28. Liens

28.1 Subcontractor shall give written notice to Contractor of its intention to place a lien on the Project at least two (2) days prior to filing any lien, and immediately upon receiving notice from any sub-subcontractor or material supplier of its intent to file any lien.

28.2 Subcontractor shall promptly settle or secure the removal of any lien filed against the Project, any work or material associated with the Project, or any lands associated with the Project, by any sub-subcontractor, material supplier, worker or other person for whom Subcontractor is responsible on account of the Work. Pending discharge or removal of any such lien, Contractor shall be entitled to withhold any amount due and payable to Subcontractor.

28.3 If Subcontractor fails to discharge or remove any lien within five (5) working days of having been requested to do so by Contractor, Contractor may discharge such indebtedness or legally cause such lien to be removed from the Project, material, or title as the case may be and may deduct the amount of such lien in addition to all cost associated with said discharge or removal from any sum payable or to become payable to Subcontractor

GC 29. Audits

29.1 Throughout the term of this Subcontract, and for a period of seven (7) years following the expiration or earlier termination thereof (the "Audit Period"), Subcontractor shall maintain, at its own expense, an accurate and complete set of financial records (the "Books and Records"), in accordance with generally accepted accounting principles, in respect of the Work and all costs and amounts charged to Contractor, including all records which relate to cost reimbursement or performance of labour provisions. Subcontractor shall allow Contractor and Owner open access to inspect and audit the Books and Records, and to make and retain any copies thereof, during the Audit Period. Subcontractor shall fully cooperate, at its own cost, with the representatives of Contractor and Owner who conduct any such audit. Any overpayments that are verified through such audit shall be returned or credited to the applicable party within seven (7) days. Contractor shall bear the direct costs of any audit hereunder, unless the audit discloses a past variance in favour of Subcontractor in excess of three percent (3%), in which case all audit costs shall be paid by Subcontractor.

GC 30. Set-off

30.1 Without limiting any other right of set-off or deduction given or implied by law or elsewhere in this Subcontract, Contractor may set-off or deduct against any payment due or which may become due from Contractor to Subcontractor under this Subcontract

or any agreement between Contractor and Subcontractor, any amount which Contractor in its sole discretion, ascertains that the Subcontractor is required to reimburse, indemnify or otherwise pay Contractor under this Subcontract.

GC 31. Joint Venture Subcontractor

- 31.1 If Subcontractor constitutes a joint venture between two or more parties, then it is expressly agreed that all the joint ventures shall be jointly and severally liable to Contractor for any failure to carry out the provisions of or breach of this Subcontract as if each were a party to the Subcontract individually. Any notice or communication given by Contractor to one member of the joint venture shall be deemed in all instances to have been given to the joint venture and all members of the joint venture.

GC 32. Independent Contractor

- 32.1 For the purposes of the Subcontract and all Work to be performed hereunder, Subcontractor shall be an independent contractor and not the agent or employee of Contractor, and all persons employed or retained by Subcontractor in connection with the performance of its obligations hereunder shall be its employees or those of its lower-tier subcontractors, as the case may be, and not the employees or agents of Contractor. In addition to any other indemnities provided in this Subcontract, Subcontractor shall indemnify and hold harmless Contractor against all claims, demands, losses, damages, expenses, actions and proceedings whatsoever, including reasonable fees and expenses of legal counsel, which may be brought against or incurred by Contractor as a result of any determination by any tribunal or court that any personnel engaged by Subcontractor for the purposes of carrying out the Subcontract are for any purposes agents or employees of Contractor.
- 32.2 Subcontractor shall have no authority whatsoever to make any statement, representation or commitment of any kind, or to take any action, which may be binding on Contractor, except as may be expressly provided for herein, or as expressly authorized in advance in writing by Contractor.

GC 33. Assignment and Subcontracting

- 33.1 Subcontractor shall not assign this Subcontract or the right to receive payment hereunder, in whole or in part, without the prior written consent of Contractor. Subcontractor agrees that the list of lower tier subcontractors supplied prior to the signing of this Subcontract, and approved by the Contractor, is the list of lower tier subcontractors to be used to carry out those portions of the Work noted thereon and it shall not employ any other lower tier subcontractor without the prior written consent of Contractor. Any such subcontracting shall not relieve or release the Subcontractor from any of its obligations under the Subcontract. Subcontractor shall cause each of its contracts with its lower-tier subcontractors, suppliers and vendors to be assignable to Contractor.
- 33.2 Contractor reserves the right, at its sole option and discretion, to assign or novate this Subcontract to an affiliate of the Contractor, the Owner, Owner's designated agent, Owner's affiliates, or to any other party and Subcontractor hereby consents to such assignment, or novation, as the case may be.

GC 34. Privacy

- 34.1 For the purposes of this clause, "Privacy Legislation" means all applicable legislation relating to the collection, use or disclosure of personal information to which Contractor or Subcontractor may be subject from time to time. Subcontractor shall at all times comply with the requirements of all Privacy Legislation in Subcontractor's performance of its obligations under the Subcontract, and Subcontractor shall, upon request from Contractor or Owner as a result of a bona fide complaint of non-compliance, confirm in writing compliance with the foregoing requirements.

GC 35. Confidential Information

- 35.1 For the purposes of this clause, "Confidential Information" means all information (including information in writing or transmitted or acquired orally, visually or by other means) which Subcontractor, directly or indirectly, acquires from Contractor or the Owner, including any information concerning or relating to Owner or the Project, including their respective business affairs, financial position, assets, operations, activities, prospects or trade secrets, together with all analyses, evaluations, compilations, notes, studies or other documents prepared by Subcontractor or Subcontractor's employees, officers, directors, advisors or sub-subcontractors containing or based upon such information, but shall not include:
- (a). information which is or becomes available to the public, other than as a result of disclosure by Subcontractor or Subcontractor's employees, officers, directors, advisors, agents or sub-subcontractors;

APPENDIX "A"
General Conditions

- (b). information which Subcontractor can prove was, at the time of disclosure, already in the possession of Subcontractor on a non-confidential and lawful basis; or
- (c). information that is rightfully received by Subcontractor from a third party, without, after due inquiry, a breach of confidentiality agreement or other obligation of secrecy by such third party.

- 35.2** Subcontractor agrees to receive and maintain all Confidential Information in the strictest confidence, and shall not disclose Confidential Information in any manner whatsoever and shall not use the Confidential Information, directly or indirectly, for any purpose whatsoever, other than as may be required to complete the Work. If Subcontractor is required by law to disclose any of the Confidential Information, Subcontractor shall provide Contractor and Owner with prompt notice thereof so that either Contractor or Owner may seek a protective order or other appropriate remedy. In the event such protective order or other remedy is not obtained, Subcontractor shall furnish only that portion of the Confidential Information which in the reasonable opinion of its counsel is legally required to be disclosed. Subcontractor may only disclose the Confidential Information to its employees, officers, directors or advisors associated with the Project who have a need to know the Confidential Information provided such persons have agreed in writing to be bound by terms of this **GC 35**. Subcontractor agrees to be responsible for any breach of this Article by any person to whom it has provided the Confidential Information or for whom Subcontractor is responsible at law.
- 35.3** Subcontractor shall not use Contractor's or Owner's name, or their respective registered or unregistered trademarks in any slogans or otherwise in any advertising or promotional materials or publicity releases, or otherwise, and shall not take, permit to be taken or use any photographs of the Project site, without the prior approval of Contractor or Owner, as the case may be.
- 35.4** Within thirty (30) days of expiration or earlier termination of this Subcontract, or upon reasonable request by Contractor, Subcontractor shall destroy or return to Contractor all or any portion of the Confidential Information (including copies and derivatives thereof), and shall certify in writing that such destruction or return has been effected. If required by Contractor, Subcontractor shall enter into a separate confidentiality agreement, with respect to the confidential information of Owner.
- 35.5** Media or other third parties - Subcontractor personnel are not permitted to speak to the media nor are they permitted to initiate contact with any media organization or representative with respect to any matters related to Contractor, Owner, the Project, or the Work. If contacted by a member of the media or other third parties, Subcontractor may give the following Contractor media contact information to such inquiring media member or third parties: Email: media@ledcor.com, phone: 604-681-7500.

GC 36. Intellectual Property

- 36.1** Subcontractor shall pay all royalties and license fees required for its performance of this Subcontract. Subcontractor shall be liable to and in addition, shall defend, indemnify and hold harmless Contractor and Owner from and against all claims, demands, losses, damages, costs, actions, causes of action, suits, or proceedings (including legal fees on a solicitor and own client basis) arising out of, attributable to or in connection with an infringement or alleged infringement of any intellectual property rights in Subcontractor's performance of the Work.
- 36.2** Subcontractor shall grant to each of Contractor and Owner an irrevocable, unrestricted, perpetual and royalty-free right and license to use all discoveries, inventions, developments, improvements, techniques and other intellectual property that Subcontractor, its employees or agents conceive or make, alone or with others, in the performance of the Work by Subcontractor, without any further compensation, payment or consideration to Subcontractor.

GC 37. Dispute Resolution

- 37.1** Subcontractor's and Contractor's rights and obligations with respect to dispute resolution are as set out in **Appendix "B"** hereto.

GC 38. General

- 38.1** This Subcontract shall enure to the benefit of and be binding upon the parties hereto, their successors, executors, administrators and permitted assigns.
- 38.2** Except as expressly permitted herein and as expressly agreed to by the Contractor, no terms or conditions endorsed upon, delivered with or contained in Subcontractor's quotation or similar document (even where attached to this Subcontract) shall form part of this Subcontract and Subcontractor waives any right which it otherwise might have to rely on any such terms and conditions).
- 38.3** This Subcontract has been negotiated and prepared jointly by the Parties, and accordingly any ambiguous provisions shall not be strictly construed in an adverse manner against either Party. This General Condition shall not affect the application of the

APPENDIX "A"
General Conditions

general rule of construction that exclusionary limitation provisions are interpreted strictly against the interest of the Party seeking to rely on the exclusion.

- 38.4** Each Party hereto shall execute such further documents and give such further assurances as are required to give effect to the Subcontract.
- 38.5** Each of the Parties hereby represents and warrants that it has the power and authority to carry on its business and to enter into the Subcontract and to perform all of its obligations hereunder.
- 38.6** Except as expressly set forth in this Subcontract, to the fullest extent permitted by applicable law, remedies provided to Contractor or Subcontractor under this Subcontract shall be cumulative and in addition to and not in substitution for any rights or remedies provided pursuant to this Subcontract, by law or in equity.
- 38.7** If a court of competent jurisdiction determines that any provision of the Subcontract is invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of the Subcontract and the Subcontract shall be amended or construed so as to effect the original intent of the Parties as closely as possible and enable fulfillment of the transactions contemplated.
- 38.8** Time is and shall continue to be of the essence of the Subcontract.
- 38.9** The Subcontractor acknowledges having been given an opportunity by Contractor to receive and review, prior to the entering into of this Subcontract, a redacted copy of the Prime Contract and all Reference Documents and is fully familiar with all of the provisions thereof.
- 38.10** Any failure of Contractor to enforce or require the strict keeping and performance of any of the terms and conditions of this Subcontract shall not constitute a waiver of such terms or conditions and shall not affect or impair Contractor's right to any remedies it may have for breach of such terms or conditions. Any waiver shall only be valid and enforceable if in writing and signed by both parties. No waiver shall be construed as a release of any past or future default, nor shall it be a modification of any other terms, provisions, conditions or covenants of the Subcontract unless expressly stipulated in such waiver.
- 38.11** The headings and sub-headings of the General Conditions contained herein are used for convenience and ease of reference only and in no way define, limit, describe or interpret the scope or intent of the Subcontract or any of its provisions.
- 38.12** Any Articles, General Conditions, terms, covenants, provisions or conditions of the Subcontract which expressly or by their nature or intent survive the termination or Term of the Subcontract shall continue in full force and effect subsequent to and notwithstanding such termination or Term, and shall not be merged therein or therewith, until such terms, covenants, provisions and conditions are satisfied or by their nature or intent expire.

PART I: PROJECT SPECIFIC

B 1. Warranties

- 1.1** Subcontractor hereby warrants that the Work and all component systems thereof shall be performed and completed in accordance with the requirements specified in the Subcontract and shall be free from all defects and deficiencies in workmanship and in any design or engineering furnished by Subcontractor (including all of its lower-tier subcontractors). All materials and equipment supplied by Subcontractor (including all of its lower tier subcontractors and suppliers) shall be in accordance with requirements specified in the Prime Contract and the Subcontract and will be new, of recent manufacture and of good quality.
- 1.2** Without limitation of any other rights and remedies of Contractor, if any defect in the Work in violation of the foregoing warranties arises, Subcontractor shall promptly furnish, at no cost to Contractor, design, engineering, labour, equipment, and materials necessary to correct (i) such defect and cause the Work to fully comply with the foregoing warranties; (ii) all other parts of the Work and the Project requiring removal, repair or replacement as a result of any such defect; and (iii) any resulting damage. If Subcontractor fails to promptly and adequately take such corrective actions, Contractor shall have the right to take such corrective actions for the account of Subcontractor, and Subcontractor shall promptly pay Contractor or Owner the costs incurred in correcting such defects.
- 1.3** Article/section 4.42 Warranty of the Prime Contract relating to warranties is hereby incorporated by reference herein, and such provisions shall be construed and interpreted, mutatis mutandis, as warranties of Subcontractor to each of Owner and Contractor. For greater clarity, and without restricting the generality of the foregoing, the date of commencement of warranties shall be determined in accordance with the Prime Contract and the applicable warranty periods shall be in accordance with the conditions set out in the Prime Contract. The Subcontractor acknowledges having received and reviewed the applicable provisions of the Prime Contract prior to executing this Subcontract.

B 2. Insurance

- 2.1** Subcontractor shall, without limiting its obligations or liabilities herein, obtain and continuously carry at its own expense and cost the following insurance with an insurance company or companies acceptable to Contractor and with limits no less than those shown in the respective items:
- (a). Workers' Compensation Insurance covering all employees engaged in the Work in accordance with the statutory requirement of the province or territory having jurisdiction over such employees. Prior to commencement and through to completion of the Work, Subcontractor shall provide evidence of compliance with Workers' Compensation legislation at the place of the Work including payments due thereunder;
 - (b). Commercial General Liability Insurance including coverage for contractual liability, non-owned auto liability, contractor's protective liability and products and completed liability with a limit of not less than \$ 10,000,000 per occurrence and not less than \$10,000,000 in aggregate with respect to products and completed operations only. Such liability policy shall: (i) name the Owner, the Contractor, and their respective directors, officers, employees, consultants, servants and agents, or such other parties that Contractor designates, as additional insureds; (ii) contain a "cross-liability" and "severability of interest" clause, and (iii) be primary to any policy maintained by the additional insureds;
 - (c). Automobile Liability Insurance covering all owned, hired and leased motor vehicles used by Subcontractor in the performance of the Work in an amount of not less than \$ 5,000,000;
 - (d). Aircraft and Watercraft Liability Insurance with respect to owned and non-owned aircraft and watercraft if used directly or indirectly in the performance of the Work, including use of additional premises, shall be subject to limits of not less than \$5,000,000 and limits of not less than \$5,000,000 for aircraft passenger hazard;
 - (e). "All Risks" Contractor's Equipment Insurance covering owned, leased or rented construction machinery and equipment including scaffolding and temporary buildings used by the Subcontractor in the performance of the Work for the full replacement value. Such policy shall be endorsed waiving rights of subrogation by the insurer or insurers against the Owner, Contractor, and all other contractors, consultants and subcontractors engaged in the performance of work of the Project.
 - (f). Any other additional insurance which it is required by the law to provide or which it considers necessary

APPENDIX "B"
Special Conditions

- 2.2 All insurance policies called for above shall be endorsed to provide Contractor with thirty (30) days advance notice by registered mail of cancellation or material amendment to the coverages.
- 2.3 The Subcontractor shall ensure all lower tier subcontractors comply with the terms and conditions of these insurance provisions and any other insurance requirements of the Prime Contract.
- 2.4 The insurance to be provided above shall be in a form and in amounts not less than the amounts specified in the above respective items and, notwithstanding the foregoing, in the event the insurance requirements of the Prime Contract indicate higher limits of coverage, in amounts not less than such higher limits.
- 2.5 At the earlier of fourteen (14) days of the date of this Subcontract or prior to commencement of Work and through the completion of the Work, Subcontractor shall provide Contractor with:
- (a). Certificates of Insurance (or with certified full and complete copies of the policies if Contractor so requests) which shall be subject to Contractor's approval, which approval shall not be unreasonably withheld; and
 - (b). proof of good standing with the Workers' Compensation Board including evidence of all payments due thereunder, in a form reasonably acceptable to Contractor.
- 2.6 If Subcontractor fails to provide or maintain insurance as required herein, then Contractor shall have the right but not the obligation to provide and maintain such insurance and give evidence thereof to Subcontractor. The Subcontractor shall pay the cost thereof to the Contractor on demand or Contractor may, at its option, deduct the costs thereof from any monies which are due or may become due to Subcontractor.
- 2.7 To the extent Owner or Contractor are providing any project specific insurance: the Owner and Contractor make no representation or warranty as to the extent or adequacy of any of the insurance policies obtained by the Owner or Contractor and it is the responsibility of the Subcontractor to review such policies to satisfy itself as to the coverage afforded thereby. The furnishing of any insurance by Owner or Contractor shall not limit any of the obligations or liabilities of Subcontractor as set forth in this Subcontract. If in the opinion of the Subcontractor, the coverage afforded under the policies provided by the Owner or Contractor is inadequate for the Subcontractor's needs, the Subcontractor shall obtain, at its own expenses and costs, broader coverage by providing and paying such additional insurance. The party responsible for the loss or claim shall be responsible for paying the deductible amounts under the policies. If no responsible party can be determined, the deductible shall be paid by the Subcontractor.
- B 3. Dispute Resolution**
- 3.1 Any dispute between Subcontractor and Contractor shall first be attempted to be resolved at the operational level, by good faith discussions between the parties' key representatives. If, following good faith discussions spanning fifteen (15) days, the dispute is not resolved, the matter shall be escalated to the parties' executive management for good faith resolution. If, following good faith discussions between executive management spanning fifteen (15) days, the dispute remains unresolved, either party may require that such disagreement or dispute to be submitted for determination by a single arbitrator pursuant to the latest Arbitration Act of the Province or Territory where the Project is located and if both parties agree to arbitration, the arbitrator's decision shall be final and binding and the decision thereof may be entered in any court having jurisdiction for its enforcement.
- 3.2 Subcontractor shall promptly and timely carry out the Work while the parties work to resolve their dispute in accordance herewith. For greater clarity, no dispute shall affect the Work Schedule, or constitute an excusable delay under the terms of this Subcontract.
- 3.3 Article/section 1.2.57 Dispute Resolution (Alberta Transportation General Specifications) of the Prime Contract relating to dispute resolution is hereby incorporated by reference herein, and such provisions shall be applied, mutatis mutandis, to the resolution of any disagreement or dispute between Subcontractor and Owner and/or Contractor. Subcontractor acknowledges having received and reviewed the applicable provisions of the Prime Contract prior to executing this Subcontract.

B 4. Other

PART II – SUBCONTRACTOR SPECIFIC

B 5. Financial Assurances

5.1 Subcontractor shall provide the following bond coverage with a surety and in a form provided for in **Appendix "G"** or as otherwise acceptable to Contractor and must maintain same in good standing until completion of this Subcontract Agreement:

- (a). Performance Bond: N/A;
- (b). Labour & Material Payment Bond: N/A; and
- (c). Maintenance Bond: N/A.

5.2 The cost for providing the bond coverage specified herein shall be borne solely by Subcontractor. Subcontractor shall promptly notify its sureties of any changes in the scope or terms of this Subcontract Agreement, or any other changes that may impair the ability of Contractor or others to claim against the surety.

B 6. Liquidated Damages

6.1 If the Subcontractor fails to complete the Work in the time specified under the Subcontract, the Subcontractor shall be liable to pay the Contractor liquidated damages. For each and every calendar day by which completion of the Work is delayed beyond the date specified in the Subcontract, or extensions thereto as may be granted by the Contractor pursuant to the terms of the Subcontract, the Subcontractor shall pay the Contractor for all of the costs incurred by the Contractor as a result of such delay in accordance with the table set out below.

Daily Liquidated Damage Amount

Period	Amount
September 01, 2023	\$3,000 per day

6.2 Subcontractor understands and agrees that if it fails to achieve satisfactory completion of its Work by the dates set forth in the Subcontract, the Contractor will suffer material loss and damages which will be difficult to calculate and that the specified liquidated damages are a genuine pre-estimate by the parties of the loss and damages that the Contractor will so incur and are not intended to be a penalty. For clarity, the foregoing shall not be interpreted as a limitation of Subcontractor's obligations to indemnify Contractor pursuant to GC 4.

B 7. Other

C 1. General Scope

1.1 Without limiting the generality of the Subcontract, the Work Scope shall include but is not limited to:

- (a). Performance of the Work in accordance with **Appendix "E" – Specification List and Drawing List**.
- (b). Mobilization of Subcontractor resources.
- (c). Repair and maintenance of Subcontractors construction equipment.
- (d). Final Cleanup of lay-down areas and Demobilization of all on site facilities.
- (e). Aggregate crushing to meet AT specifications and gradations as directed by Ledcor in the Mantle Group Oberg Pit.
- (f). All pit work and stockpiling.
- (g). Preparation of a stockpile site and plant area.
- (h). Any and all levies and royalties.
- (i). Hauling of granular materials to site a production rate of 4,000 tonnes per shift.
- (j). Costs incurred due to unforeseen circumstances outside of Ledcor's control.

C 2. Pre-Mobilization Requirements

2.1 Prior to commencement of the Work, Subcontractor is required to forthwith submit the following information to Contractor:

- (a). Proof of Insurance as outlined in **Appendix B** Section B 2
- (b). WCB Clearance Certificate
- (c). GST Registration Number (and registration numbers for applicable provincial sales tax)
- (d). Project Specific Safety Plan (PSSP) - Subcontractor Signoff (if applicable)
- (e). Bonds – if applicable
- (f). Required Plans and Drawings as outlined in the Prime Contract.

2.2 Contractor will require the following documents to mobilize Subcontractor's workers to site:

- (a). Drug and Alcohol Clearance Letter, in accordance with Contractor's Drug and Alcohol Policy
- (b). Copy of valid worker CSTS or PCST certification
- (c). Copy of worker competency or training qualifications, as required
- (d). Copy of equipment certifications for all equipment to be supplied by Subcontractor under the Subcontract, as applicable
- (e). Copy of any other Owner- or site-specific requirements, as applicable

C 3. Ongoing Requirements

3.1 Subcontractor is responsible to provide the following documentation to Contractor during the execution of the Work in accordance with the Subcontract:

- (a). Daily progress and workforce reports
- (b). Weekly workforce forecasts
- (c). In case of Force Account Work, daily LEM Sheets detailing Work performed for all labour, equipment and material separated by Contractor cost codes for approval by Contractor submitted by 8:00 a.m. the next day

3.2 Subcontractor is responsible to attend the following meetings as scheduled by Contractor:

- (a). Monthly General Safety Meetings
- (b). Daily Coordination Meetings
- (c). Shift Progress Meetings
- (d). Daily Tool Box Talks
- (e). Shift Safety Meetings

C 4. Work Not Included in Work Scope

C 5. Qualifications to Work Scope (If Applicable)

APPENDIX "D"
Pricing

D 1. Unit Prices for the Work

1.1 The unit price work for this Subcontract is detailed below:

Item	Description	Est. Qty	Unit of Measure	Unit Price	Total Price
16	Granular Material (Des. 2 Class 40) – Supply and Delivery	250	tonnes	\$24.50	\$6,125.00
21	Granular Material (Des. 2 Class 20) – Supply and Delivery	41,400	tonnes	\$24.50	\$1,014,300.00
22A	Asphalt Concrete Pavement L1 – (1/2" Material)	11,664	tonnes	\$35.00	\$408,240.00
22B	Asphalt Concrete Pavement L1 – (Natural Fines or Sand)	1,296	tonnes	\$35.00	\$45,360.00
TOTAL ESTIMATED PRICE					\$1,474,025.00

1.2 The approximate price of unit price work for this Subcontract at the time of signing this Subcontract is determined by multiplying the estimated quantities by the applicable unit price in the table above.

1.3 The unit prices listed in table above are all-inclusive including, but not limited to all labour and related costs (including statutory holiday cost, incentives, crew cost, live out allowance/accommodation, travel time), supervision, materials, equipment, all taxes (excluding only GST), overhead and profits.

1.4 The payment quantities for unit price work shall be measured in accordance with the Prime Contract and as approved by Owner.

1.5 The final price of the unit price work for this Subcontract shall be determined by multiplying the final quantities measured in accordance with the Prime Contract and as approved by Owner by the applicable unit price listed in table above. If the total estimated price in 2.1 is identified as having a value of "0.00", then this Section D2 shall not be applicable to this Subcontract.

D 2. Extra Work Rates

2.1 Approvals

- (a). Subcontractor shall obtain Contractor's written approval prior to performing any extra Work exceeding the initial scope of the Subcontract.
- (b). For clarity, Subcontractor's mark-up for changes to the Work is all inclusive and shall include but not be limited to overhead, profits and the increased premium cost of the insurance and performance and labour and material payment bonds and/or maintenance bonds subsequently charged by the insurance company and surety company due to any of the changes in the Work. For greater certainty, except as forming part of the aforesaid mark-up, any such increased premium costs will not be paid by Contractor or Owner.

Ledcor to provide 90% Progress Payment on the asphalt material upon production completion.

LD

CP

APPENDIX "E"
Drawing List and Specification List

E 1. Drawing List

As per Prime Contract MD Bonnyville Twp 610

E 2. Specifications List

As per Prime Contract MD Bonnyville Twp 610

APPENDIX "F"
Work Schedule

The Work Schedule shall be determined by the Contractor acting reasonably.

- Mantle Group to work with Ledcor to ensure product is processed and stockpiled prior to Ledcor's arrival with the asphalt plant to the Mantle Groups Oberg Pit. The expectation is Ledcor will arrive in the middle of June at the earliest.



Ledcor to provide 3 weeks notice prior to mobilizing for this project.

Handwritten initials in blue ink, possibly 'JP' or 'JD'.

APPENDIX "G"
Reference Documents

The following documents are deemed to be incorporated in and form a part of this Subcontract:

Document

(1) The documents attached to this Subcontract, which include:

(2) The documents which are located at the following location www.ledcor.com/reference-documents, which include:

Subcontractor HS&E Standard

Subcontractor Application for Progress Payment and Holdback Release

Subcontractor's Release – Final Payment

Subcontractor Statutory Declaration – Progress Payment

Subcontractor Statutory Declaration – Holdback / Final Payment

Subcontract Change Order

Subcontract Request for Change

(3) The documents, as provided by Contractor, if applicable:

Form of Performance Bond

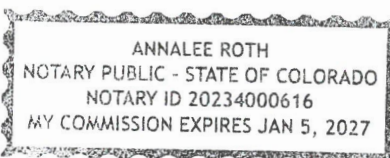
Form of Labour & Material Payment Bond

Form of Maintenance Bond

This is **Exhibit "C"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



Mantle Materials Group Ltd.
 Projected Cash Flow Statement for the period of August 12, 2023 to December 29, 2023

Projected Cash Flow Statement (C\$ 000s)	Week Ending	Week (1) 4-Aug	Week 1 11-Aug	Week 2 18-Aug	Week 3 25-Aug	Week 4 1-Sep	Week 5 8-Sep	Week 6 15-Sep	Week 7 22-Sep	Week 8 29-Sep	Week 9 6-Oct	Week 10 13-Oct	Week 11 20-Oct	Week 12 27-Oct	Week 13 3-Nov	Week 14 10-Nov	Week 15 17-Nov	Week 16 24-Nov	Week 17 1-Dec	Week 18 8-Dec	Week 19 15-Dec	Week 20 22-Dec	Week 21 29-Dec	Total	Notes	
Cash Receipts	Actual		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
Post-filling Sales	\$ -	\$ -	\$ -	\$ -	\$ 30,400	\$ 30,400	\$ 76,650	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 427,688	\$ 517,688	\$ 305,188	\$ 103,938	\$ 39,980	\$ 129,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,044,230	1	
Collection of Pre-filing AR	-	-	72,010	429,269	162,700	23,115	10,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697,396	2	
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Potential Lienable AP (paid by Customer)	-	-	-	-	(20,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(220,000)	3	
Total - Cash Receipts	\$ -	\$ -	\$ 72,010	\$ 429,269	\$ 173,100	\$ 53,515	\$ 86,352	\$ 75,750	\$ 165,750	\$ 1,070,710	\$ 1,070,710	\$ 227,688	\$ 517,688	\$ 305,188	\$ 103,938	\$ 39,980	\$ 129,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,521,626		
Operating Disbursements																										
Payroll + Source Deductions	-	95,302	-	55,096	-	55,096	-	55,096	-	55,096	-	49,617	-	20,944	-	20,944	-	20,944	-	14,117	-	-	14,117	456,369	4	
Royalties	-	-	-	2,933	2,933	7,608	7,700	7,700	65,450	65,450	47,438	47,438	18,988	19,865	14,332	4,092	12,800	25,600	-	-	-	-	12,800	363,126	5	
Trucking	(5,872)	-	-	560,535	650,535	105,575	135,575	15,575	11,906	11,906	11,906	11,906	6,500	6,500	-	-	-	-	-	-	-	-	-	1,522,548		
Fuel (SG&A)	3,420	-	18,480	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	1,080	1,080	1,080	1,080	1,080	1,080	1,080	480	480	480	480	58,380		
Fuel (Production)	12,996	-	52,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,796		
Trucking and Fuel	10,544	-	71,280	3,120	563,655	653,655	108,695	138,695	18,695	15,026	15,026	12,986	7,580	7,580	1,080	1,080	1,080	1,080	480	480	480	480	480	1,646,724	6	
Repair & Maintenance	-	-	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	21,000	7	
Equipment Lease Payments (Light Equipment)	-	-	4,746	-	409	-	2,732	803	-	409	2,732	803	-	409	-	2,732	803	409	-	2,732	803	-	-	20,517		
Equipment Lease Payments (Sales)	-	-	2,688	9,596	6,956	6,955	4,939	1,411	1,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,829		
Equipment Lease Payments (Production)	-	-	32,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,000		
Equipment Lease Payments	-	-	39,434	9,596	10,005	6,955	9,687	5,742	1,411	1,753	4,076	803	-	409	-	2,732	803	409	-	2,732	803	-	-	97,346	8	
Insurance & Benefits	1,682	-	18,212	408	6,000	7,804	-	4,408	-	13,804	15,000	408	-	6,408	7,397	4,408	-	6,408	7,397	408	-	-	6,408	106,557	9	
Office Administration	8	-	2,323	100	2,223	-	-	-	100	-	-	-	-	2,323	-	-	-	-	2,323	-	-	-	-	2,323	13,947	
Occupancy	-	-	8,971	-	8,971	-	-	-	8,971	-	-	-	-	8,971	-	-	-	-	8,971	-	-	-	-	8,971	53,826	
Other / Miscellaneous Contingency	-	-	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	21,000		
G&A Expense	8	-	13,294	1,100	12,194	1,000	1,000	1,000	1,100	1,100	12,194	1,000	1,000	12,294	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,294	88,773	10
EPO Reclamation	-	-	176,364	104,364	104,364	104,364	126,904	176,904	126,904	151,904	105,561	105,561	155,561	105,561	35,570	10,570	10,570	10,570	10,570	6,236	6,236	6,236	6,236	1,640,869	11	
Emergency Payments	-	-	85,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,515	12	
Total - Operating Disbursements	\$ 12,234	\$ 95,302	\$ 406,099	\$ 174,684	\$ 700,151	\$ 832,808	\$ 254,894	\$ 390,545	\$ 156,810	\$ 316,227	\$ 207,113	\$ 220,852	\$ 217,985	\$ 173,183	\$ 72,411	\$ 56,064	\$ 18,544	\$ 65,504	\$ 46,046	\$ 25,971	\$ 9,518	\$ 9,518	\$ 53,334	\$ 4,506,279		
Net Operating Cash Flow	\$ (12,234)	\$ (95,302)	\$ (334,089)	\$ 254,585	\$ (527,051)	\$ (779,293)	\$ (168,542)	\$ (314,795)	\$ 8,940	\$ 754,483	\$ 863,597	\$ 6,836	\$ 299,703	\$ 132,005	\$ 31,526	\$ (16,084)	\$ 111,436	\$ (65,504)	\$ (46,046)	\$ (25,971)	\$ (9,518)	\$ (9,518)	\$ (53,334)	\$ 15,347		
Non-Operating Receipts & Disbursements																										
Interim Financing (Draw)	-	-	(475,000)	-	(450,000)	(1,000,000)	-	(275,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,200,000)	13	
Professional Fees	-	-	70,000	-	-	172,500	-	-	-	82,500	-	-	-	127,500	-	-	-	-	127,500	-	-	-	-	141,250	721,250	
Total - Non-Operating Receipts & Disbursements	\$ -	\$ -	\$ (405,000)	\$ -	\$ (450,000)	\$ (827,500)	\$ -	\$ (275,000)	\$ -	\$ 82,500	\$ -	\$ -	\$ -	\$ 127,500	\$ -	\$ -	\$ -	\$ -	\$ 127,500	\$ -	\$ -	\$ -	\$ -	\$ 141,250	\$ (1,478,750)	14
Net Cash Flow	\$ (12,234)	\$ (95,302)	\$ 70,911	\$ 254,585	\$ (77,051)	\$ 48,207	\$ (168,542)	\$ (39,795)	\$ 8,940	\$ 671,983	\$ 863,597	\$ 6,836	\$ 299,703	\$ 4,505	\$ 31,526	\$ (16,084)	\$ 111,436	\$ (193,004)	\$ (46,046)	\$ (25,971)	\$ (9,518)	\$ (9,518)	\$ (194,584)	\$ 1,494,097		
Opening Cash	\$ 28,267	\$ 16,034	\$ (79,268)	\$ (8,357)	\$ 246,227	\$ 169,176	\$ 217,383	\$ 48,841	\$ 9,047	\$ 17,987	\$ 689,969	\$ 1,553,567	\$ 1,560,402	\$ 1,860,105	\$ 1,864,610	\$ 1,896,137	\$ 1,880,052	\$ 1,991,488	\$ 1,798,485	\$ 1,752,438	\$ 1,726,467	\$ 1,716,949	\$ 1,716,949	28,267		
Change in Cash	(12,234)	(95,302)	70,911	254,585	(77,051)	48,207	(168,542)	(39,795)	8,940	671,983	863,597	6,836	299,703	4,505	31,526	(16,084)	111,436	(193,004)	(46,046)	(25,971)	(9,518)	(194,584)	1,494,097	1,494,097		
Ending Cash Balance	\$ 16,034	\$ (79,268)	\$ (8,357)	\$ 246,227	\$ 169,176	\$ 217,383	\$ 48,841	\$ 9,047	\$ 17,987	\$ 689,969	\$ 1,553,567	\$ 1,560,402	\$ 1,860,105	\$ 1,864,610	\$ 1,896,137	\$ 1,880,052	\$ 1,991,488	\$ 1,798,485	\$ 1,752,438	\$ 1,726,467	\$ 1,716,949	\$ 1,522,365	\$ 1,522,365	\$ 1,522,365		

Mantle Materials Group Ltd.
 Byron Levkovich, Director

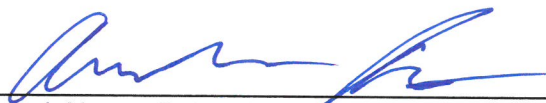
FTI CONSULTING CANADA INC., TRUSTEE UNDER THE NOTICE
 OF INTENTION TO MAKE A PROPOSAL
 Dustin Oliver, LIT

Notes:

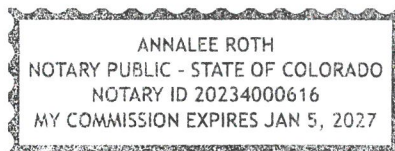
Management of Mantle Materials Group Ltd. ("Mantle") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Mantle during the period of July 29, 2023 to October 20, 2023. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-13. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Post-filing amounts are estimated collections from customers for work completed and invoiced after the NOI filing.
- 2 Collection of pre-filing customer accounts receivable.
- 3 Potential Lienable payables includes amounts for recently produced inventory still within lienable window and potential AP which could be offset against AR. Assumed to be a reduction of collections of related AR.
- 4 Payroll and source deductions represent payments to employees for wages and vacation pay.
- 5 Royalties represent private and public land aggregate royalty payments and land rental costs.
- 6 Trucking expenses to deliver sold material. Fuel related to company vehicles and crushing operations.
- 7 R&M related to historical run rates for costs relating to crushing equipment and loader necessary to complete the permitted sales contracts.
- 8 Forecasted based on current run rates and expected requirements to complete on-going contracts.
- 9 Insurance & Benefits represent recurring payments based on current run rates.
- 10 General and administrative expenses are forecasted based on current run rates and includes occupancy expense, third party accounting expenses, and other miscellaneous costs
- 11 Internal budget based on pending and/or approved work plans set forth with AEP.
- 12 Emergency Payments relate to amounts which arose prior to the Filing Date and deemed critical to operations by the Company.
- 13 The Interim Financing represents advances for interim funding provided by Interim Financing lender during the NOI proceedings.
- 14 Professional fees relate to the Company's legal counsel, the Trustee and Trustee's legal counsel.

This is **Exhibit "D"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



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 19th 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 120027

Scale: 1 : 2,500

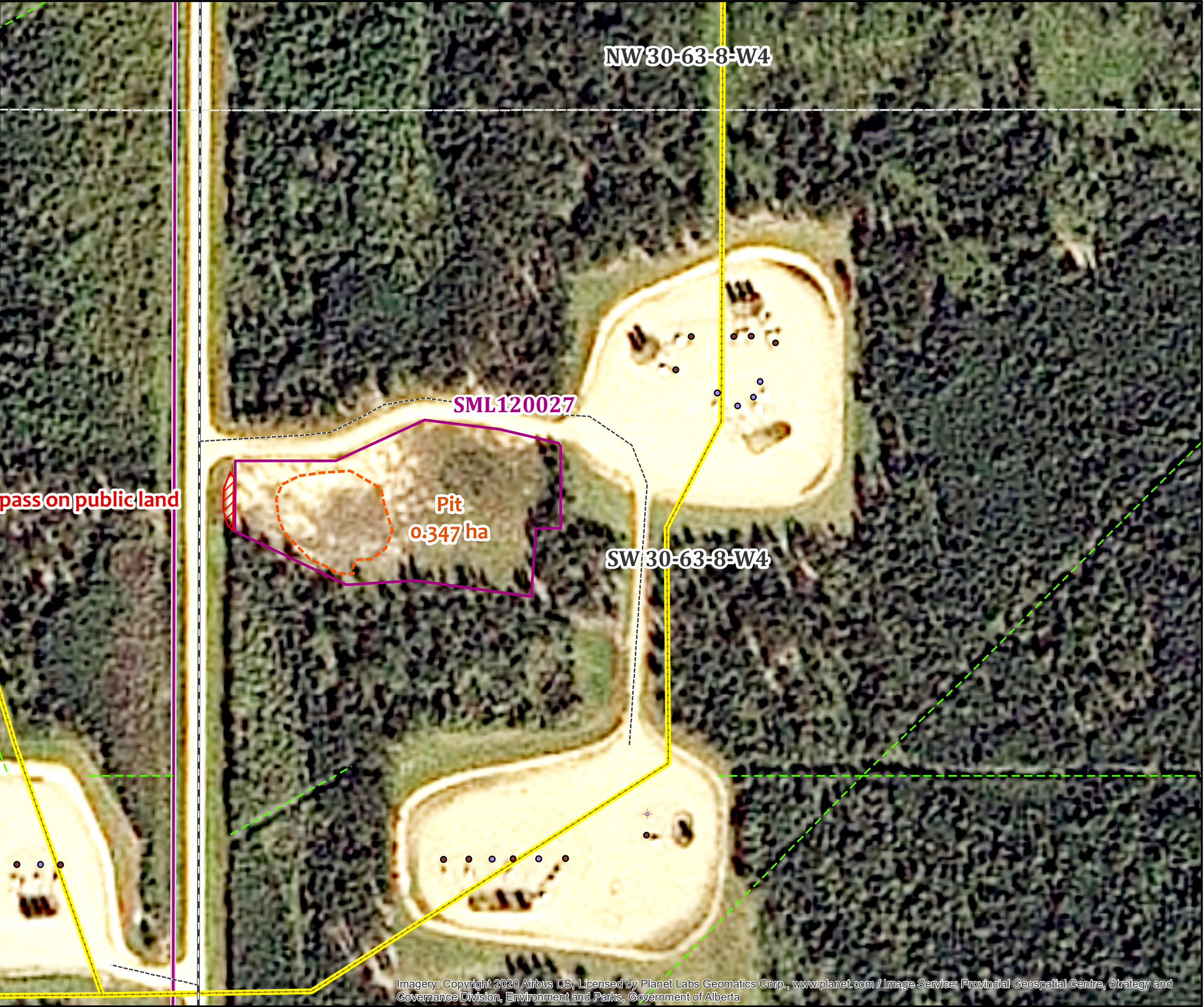
Meters 50 25 0 50 Meters

- 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)

Alberta Government

Coordinate System: NAD 1983 UTM Zone 12N
 Produced by Northeast Geospatial Unit
 Created by: rhonda.cornors on 3/18/2021
 Project # NE-0581-000-00
 Base Data provided by the Government of Alberta
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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-35659-10

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 Environmental Protection Order No. 35659-10 (EPO-EPEA-35659-10) was issued to the Parties on March 19, 2021;

WHEREAS section 243(1)(b) of the *Environmental Protection and Enhancement Act* states the Director may cancel an environmental protection order;

THEREFORE, I Heather Dent, Director pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER that EPO-EPEA-35659-10 is cancelled as against

Jeffrey Buck, former Director JMB Crushing Systems Inc. The effect of this is that Jeffrey Buck is no longer a party to this order.

DATED at the City of Edmonton in the Province of Alberta, this 18th day of November, 2022.

Heather Dent
Compliance Manager
North Region/ Boreal East District

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.

EPO-EPEA-35659-10 PLAN

SML 120027

(SW 30-063-08-W4M)

Mantle Materials Group, Ltd.

May 31, 2021

Contents

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APPENDIX A: Current Conditions Map

APPENDIX B: Cross-Section Map

APPENDIX C: Conceptual Reclamation Map

APPENDIX D: Cross-Sections

1 Introduction

This Plan is in response to EPO-EPEA-35659-10 on Surface Material Lease (SML) 120027 and covers requirements in the order under number four Plan requirements.

Information from previous documents and site assessments for SML 120027 were used in the development of this Plan.

Nathan Polturak, Environmental Protection Officer with Alberta Environment & Parks was consulted in the development of the Plan.

2 Topography

SML 120027 is level to nearly level. The general aspect of the SML is towards the east.

3 Drainage

The SML and adjacent lands have a general east aspect and are well-drained. No issues with pooling or impoundment of water were noted during the May 2021 site assessment.

4 Soils

The soils in SW 30-63-8-W4M, based on the Agricultural Regions of Alberta Soil Inventory Database (AGRASID), are classified as miscellaneous undifferentiated mineral soils and Chernozemic soils.

Based on site assessment on May 12, 2021 the following soil conditions were determined based on undisturbed areas in and surrounding the SML:

Table 1: 2021 Soil Conditions

Material	Average Thickness (cm)	Texture
Topsoil	4	Loamy Sand, Sand
Subsoil	25+	Sand

5 Vegetation

A large portion of the SML has been historically disturbed and is currently within the stages of revegetation. Portions of the SML are well revegetated, other portions are partially revegetated with some bare spots (lacking topsoil), and other spots are bare with no vegetation and no topsoil.

The small undisturbed portions of the SML include Jack Pine, alder, birch, prickly rose, bearberry, grass, lab tea, moss sp. and lichen sp.

The naturally revegetated areas including some of the partially revegetated areas include, jack pine, larch, alder, prickly rose, raspberry, grass sp., and moss sp. Woody debris was placed in these areas, successfully creating micro sites for other species.

No weeds were observed on the SML during the May 12th, 2021 site assessment.

6 Land Capability

The Canadian Land Inventory (CLI) classification for Forestry has been classed SML 120027 as a Class 7, Subclass WH for 70% and Class 5, Subclass MF for 30%. Class 7 lands have severe which preclude the growth of commercial forests including some soil moisture excess and low temperatures. Class 5 lands have moderately severe limitations to the growth of commercial forests including soil moisture deficiency and low fertility.

7 History of Surface, Subsurface, Groundwater Disturbance

Typical disturbance of surface and subsurface has occurred as part of the excavation of insitu aggregate. Insitu aggregate was excavated to an unknown depth.

The total disturbance is 1.53 hectares.

Overall drainage of the pit is still aligned with the surrounding area, no standing water was observed.

8 Adjacent Land Use

The adjacent land use includes oil and gas activity.

9 Marketable Aggregate

No marketable material is on site.

10 End Land Use

The end land use of SML 120027 is proposed as a forested upland wildlife habitat.

11 Reclamation Objective

The reclamation objective is to satisfy the EPO requirements and work towards receiving a reclamation certificate and cancellation of the Surface Materials Lease.

12 Reclamation Activities

Once the EPO Plan is approved, final reclamation activities will begin as presented in this plan.

12.1 Equipment Types

Typical hydroseeding machinery will be utilized in revegetation strategies of the reclamation activities.

Laborers with hand tools will be used to move woody debris across the site.

Recontouring

All recontouring for SML 120027 has been completed. No recontouring is required.

12.2 Topsoil Placement

Topsoil availability is minimal within the SML and any topsoil donor areas have established vegetation. As an alternative to disturbing the vegetation hydroseeding with native seed mixture is proposed as an alternative to hauling in topsoil. Hydroseeding will provide a growing medium for the native seed to establish in the bare areas of the SML.

The disturbed bare areas requiring hydroseeding are approximately 0.6 hectares in total.

Based on the undisturbed area and the target of 80% the topsoil (via hydroseeding) target for the bare areas will be approximately 0.003 m.

12.3 Revegetation

Revegetation has already occurred through natural ingression in several areas within the SML. Identified bare areas will be covered by hydroseeding. Recommended seed will be based on the Native Plant Revegetation Guidelines for Alberta¹ for the Dry Mixwood natural sub-region.

The following year, as a spring plant, conifer trees will be planted within the hydroseeded areas. Mantle is currently working with a tree supply and reclamation services company on a planting prescription for reclamation.

13 Monitoring and Maintenance Program – Six Months

As per the EPO requirements a six-month monitoring and maintenance program will be implemented after final reclamation is completed.

The program scope will cover the completed reclamation activities under the EPO and will monitor the success of the implemented activities and identify the need for any maintenance to meet the objectives of the Plan.

Monitoring of the following will occur:

- Soil stability and signs of erosion
- Surface drainage compared to plan
- Seed germination success
- Weed occurrences.

Maintenance activities required to address any issues found in the monitoring portion of the program will be implemented in the applicable season. They could include, but not limited to:

- Corrective earthworks (summer, fall)
- Additional seeding (spring, summer)
- Spraying or pulling of weeds (summer)

If the reclamation activities are completed shortly before winter conditions, the monitoring and maintenance will commence in the spring and summer of the following year as part of the EPO requirements and as part of the Surface Material Lease conditions that go towards receiving a reclamation certificate and eventual cancellation of the Surface Material Lease.

¹ Government of Alberta. 2001. Native Plant Revegetation Guidelines for Alberta. Agriculture, Food and Rural Development Department. <http://www.environment.gov.ab.ca/info/library/6155.pdf>

14 Schedule

Table 2: Schedule of Activities for SML Reclamation

Year	Activity covered under EPO or Surface Materials Lease (SML)	Description	Completion Date
2021	EPO	Complete hydroseeding on required areas.	Oct 31 st
2022	EPO	Plant conifer trees	June 30 th
2022	EPO	Begin six-month monitoring requirement as per the EPO	July 1 st to Nov 30 th
2022	EPO	Assess soil stability, revegetation success, and check for the presence of weeds.	July 15 th
2022	EPO	Address any shortfalls discovered from the assessment.	Sept 20 th
2023	SML	Assess the soil stability after spring thaw.	May 15 th
2023	SML	Assess vegetation success and survey for the presence of weeds.	July 1 st
2023	SML	Apply for reclamation certificate that will go towards cancellation of the Surface Materials Lease.	Nov 1 st

15 Closure

The EPO Plan has been prepared by Tyler Pell RPFT, Aggregate Resource Manager, Mantle Materials Group, Ltd.


Tyler Pell, RPFT

Appendix A: Current Conditions Map

SE25
63-9-4

SW30
63-8-4

RRD2654PX

EZE950156

LOC082444

SML120027

MSL083486

PLA110710

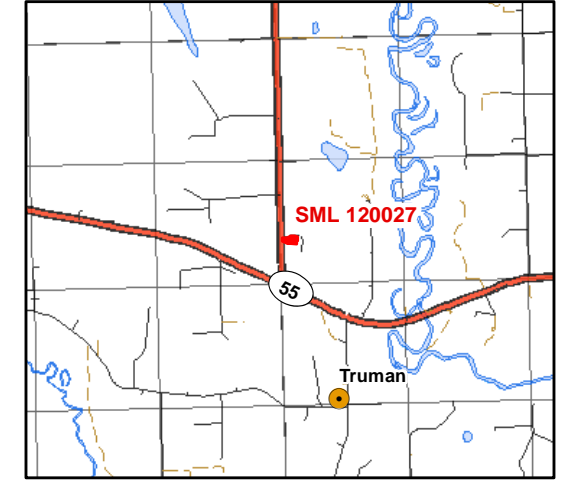
LOC112989

PLA131033








MSL113367

MANTLE MATERIALS GROUP LTD. SML120027 Current Conditions

M.D. of Bonnyville No. 87
WITHIN:
SW 30 TWP 63 RGE 8 W4M



LEGEND

-  SML120027
-  Disposition
-  Trespass
-  Bare Soil (0.40 Ha / 0.99)
-  Patchy Bare Soil (0.39 Ha / 0.97)
-  Undisturbed (0.16 Ha \ 0.40)
-  Disturbed (1.53 Ha \ 3.78)

DATE:
May 30, 2021

BEARINGS:
Decimal Degrees
North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:1,250

0 12.5 25 50
m



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

Appendix B: Cross-Section Map

SE25
63-9-4

SW30
63-8-4

RRD2654PX

EZE950156

LOC082444

MSL083486

PLA110710

A1

B1

A2

SML120027

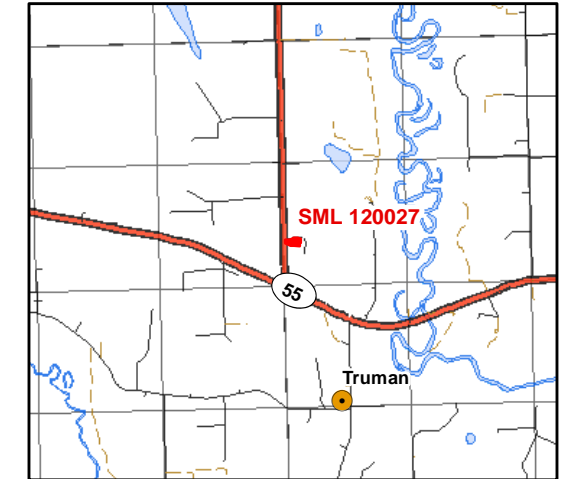
B2

LOC112989

PLA131033

MSL113367

MANTLE MATERIALS
GROUP LTD.
SML120027
Cross Sections
M.D. of Bonnyville No. 87
WITHIN:
SW 30 TWP 63 RGE 8 W4M



LEGEND

- ⊙ Cross Section Station
- Cross Section
- SML120027
- Patchy Bare Soil
- Bare Soil
- Disposition
- Undisturbed (0.16 Ha \ 0.40 Ac)
- Disturbed (1.53 Ha \ 3.78 Ac)

DATE:
May 30, 2021

BEARINGS:
Decimal Degrees
North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:1,250

0 12.5 25 50
m

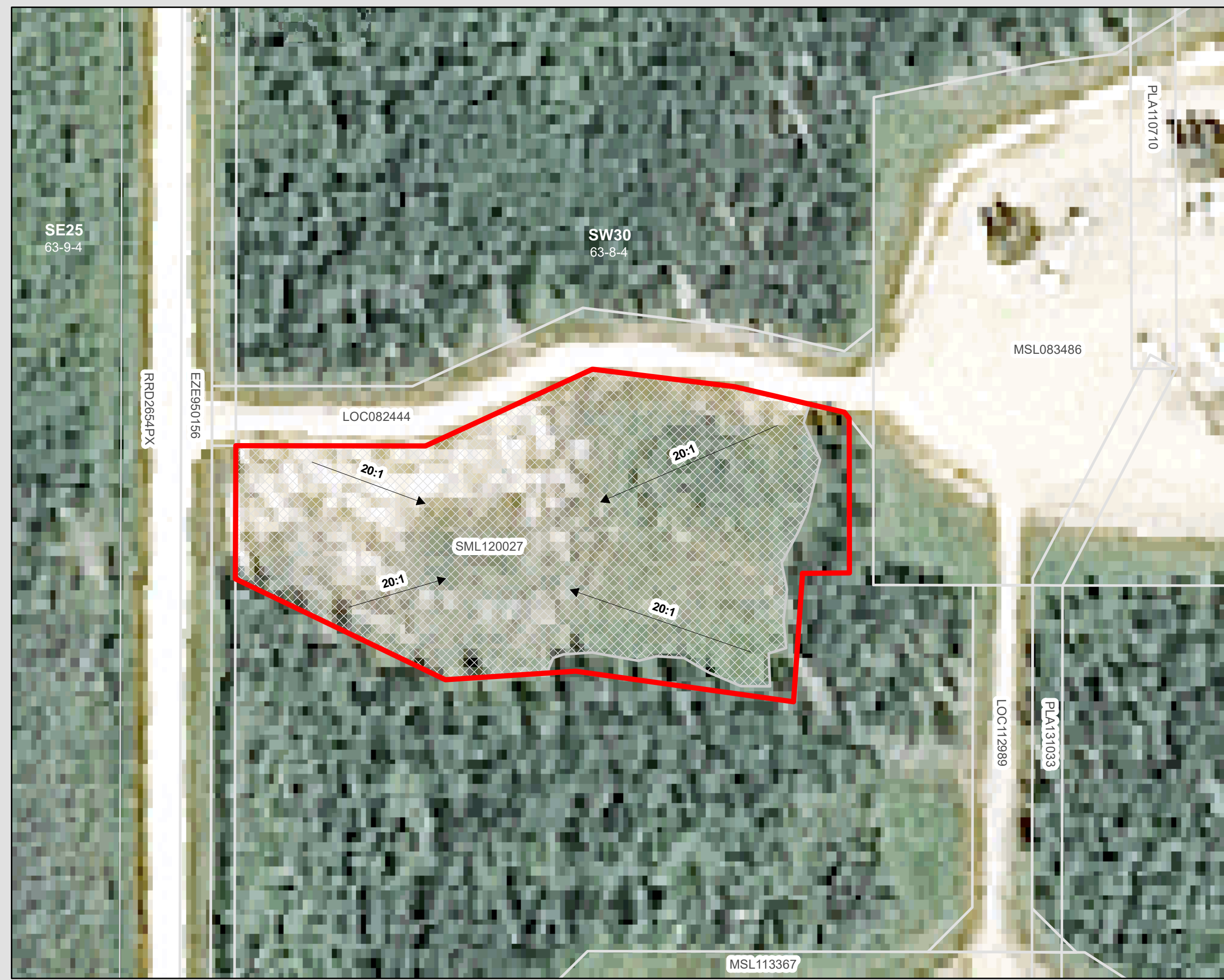
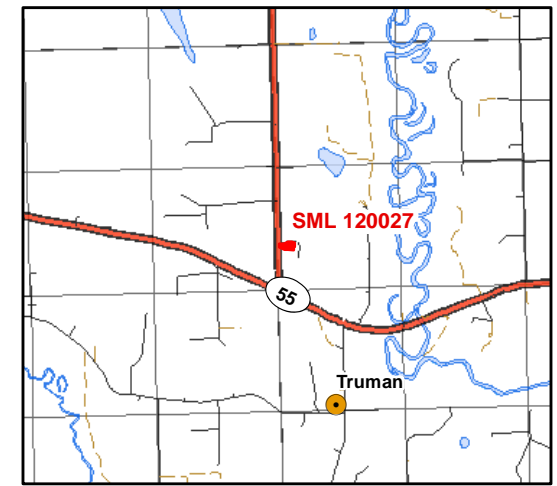


Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

Appendix C: Conceptual Reclamation Map

MANTLE MATERIALS
GROUP LTD.
SML120027
Conceptual Reclamation

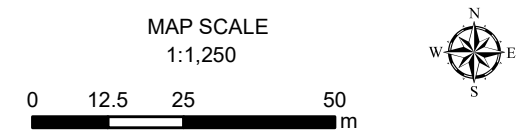
M.D. of Bonnyville No. 87
WITHIN:
SW 30 TWP 63 RGE 8 W4M



LEGEND

- Flow Arrow
- ⊗ Disturbed (1.53 Ha \ 3.78 Ac)
- ▭ SML120027
- Disposition

DATE: May 28, 2021	BEARINGS: Decimal Degrees North Azimuth
DRAWN BY: 49 North Geospatial	PROJECTION: NAD83 UTM Zone 12N Units in meters
VERSION: 1.0	DATUM: NAD 1983

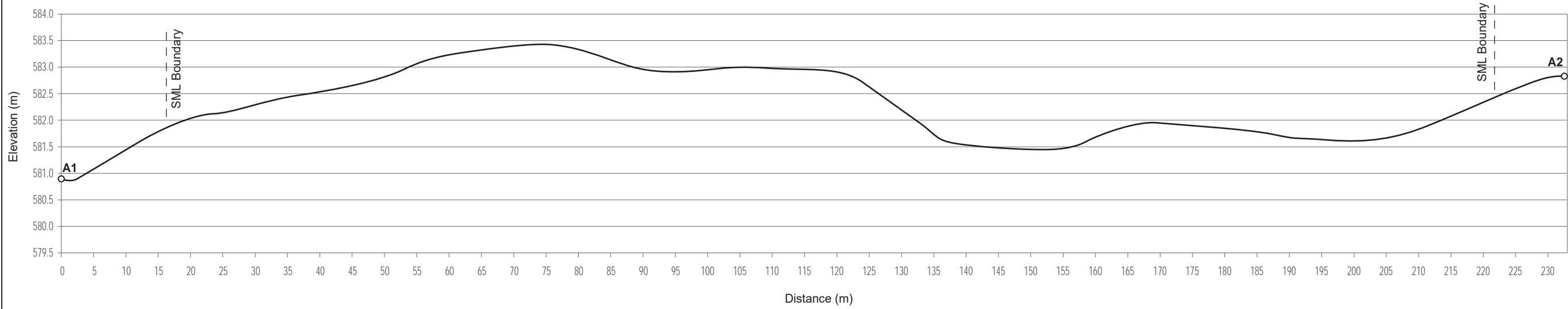



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

Appendix D: Cross-Sections

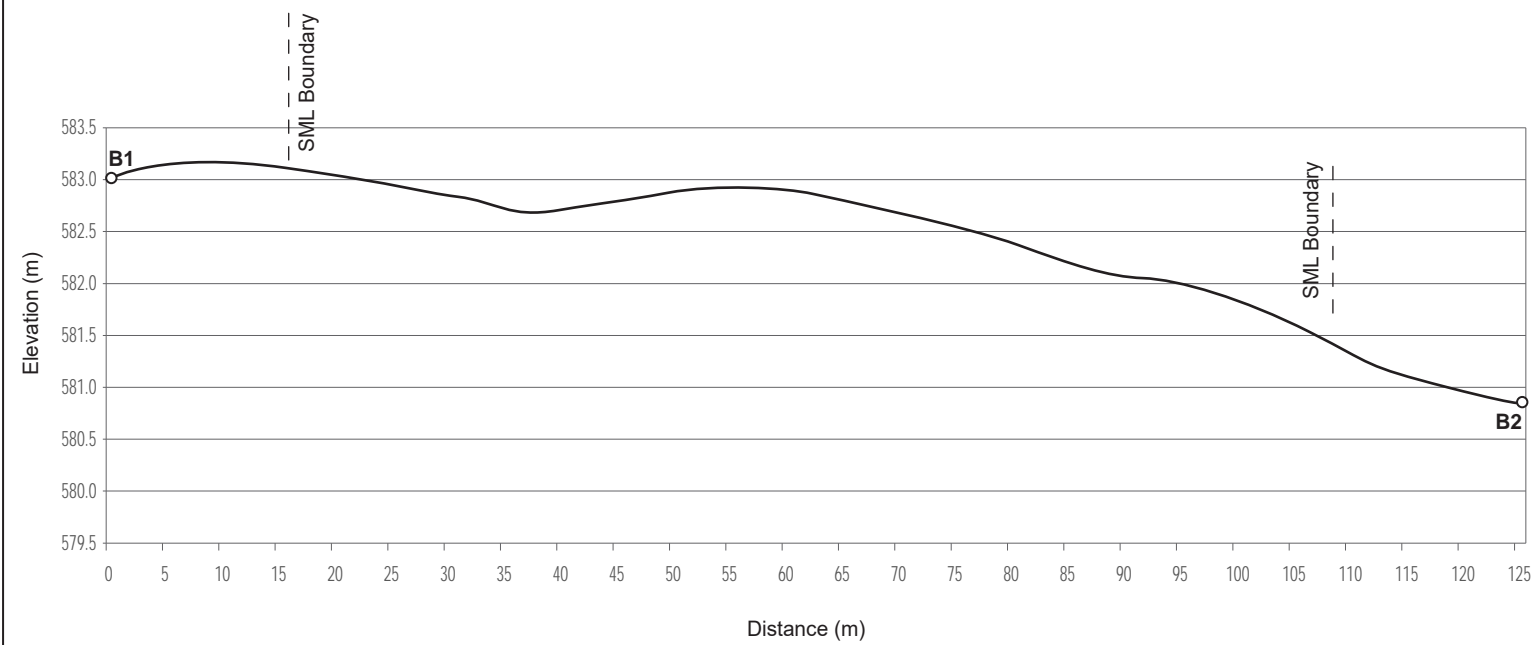
Cross Section A

Existing Site Conditions



Cross Section B

Existing Site Conditions



SML120027

Figure 1

Cross Section A
and
Cross Section B

Lac La Biche County

WITHIN:

SEC 21 TWP 63 RGE 12 W4M

LEGEND

- Reclaimed Surface
- Station

All Units in Metres / Variable Scale
Method of Data Capture (Profile): LiDAR 15
Coordinate System: NAD 1983, UTM Zone 12N
Created: May 23, 2021 By: 49 North Geospatial

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 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.
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Lisa Ball, former Director of 2161889 Alberta Ltd.
2161889 Alberta Ltd.
PO Box 211
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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.
 - 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, the 12th 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

Scale: 1 : 4,000

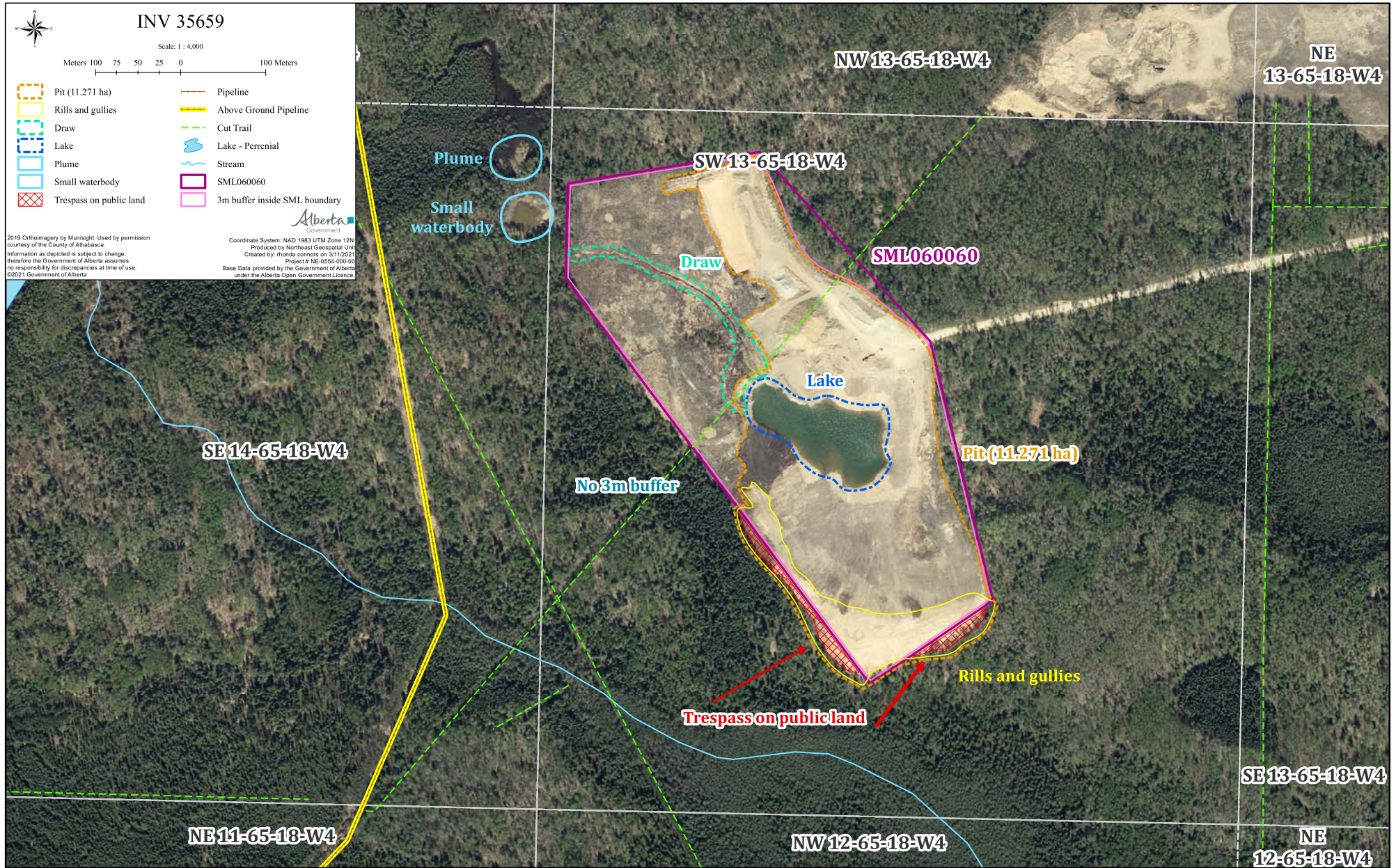
Meters 100 75 50 25 0 100 Meters

- | | | | |
|--|-------------------------|--|-------------------------------|
| | Pit (11.271 ha) | | Pipeline |
| | Rills and gullies | | Above Ground Pipeline |
| | Draw | | Cut Trail |
| | Lake | | Lake - Perennial |
| | Plume | | Stream |
| | Small waterbody | | SML060060 |
| | Trespass on public land | | 3m buffer inside SML boundary |



2019 Orthomograpy by Munsight. Used by permission courtesy of the County of Athabasca. Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use. ©2021 Government of Alberta

Coordinate System: NAD 1983 UTM Zone 12N Produced by Northeast Geospatial Unit Created by: rhonda cornier on 3/11/2021 Project #: NE-0554-000-00 Base Data provided by the Government of Alberta under the Alberta Open Government Licence



NW 13-65-18-W4

NE 13-65-18-W4

SW 13-65-18-W4

Plume
Small waterbody

Draw

SML060060

Lake

SE 14-65-18-W4

Pit (11.271 ha)

No 3m buffer

Rills and gullies

Trespass on public land

SE 13-65-18-W4

NE 11-65-18-W4

NW 12-65-18-W4

NE 12-65-18-W4

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 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.
JMB Crushing Systems Inc.
1400 16th 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 19th day of March, 2021.

Digitally signed by Heather
Dent
Date: 2021.03.19 13:37:31
-06'00'

Heather Dent

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.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 2

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

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

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2161889 Alberta Ltd.
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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 Amendment #1 to Environmental Protection Order No. 35659-07 was issued to the Parties on March 19, 2021;

WHEREAS on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022 Mantle submitted the Consolidated Remedial Plan (the “Plan”) for AEPs consideration;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

WHEREAS on January 25, 2022 AEP responded to Mantle accepting the Consolidated Remedial Plan;

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. The name of 2161889 Alberta Ltd. is revised to reflect the amalgamation with Mantle.
2. In Clause 4(h) of the Environmental Protection Order, that the date of “September 20, 2022” be deleted and replaced by “**October 31, 2022**”.
3. In Clause 4(i) of the Environmental Protection Order, that the date of “September 20, 2022” be deleted and replaced by “**November 1, 2022**”.
4. In Clause 6 of the Environmental Protection Order, that the dates of “July 15, 2021; November 15, 2021; May 15, 2022; and July 31, 2022” be deleted and replaced by “**July 29, 2022; October 28, 2022; May 12, 2023; September 22, 2023; and September 20, 2024**”.

DATED at the City of Edmonton in the Province of Alberta, this Tuesday the 25th day of January, 2022.

Heather Dent
Compliance Manager
Boreal District – East 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.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 3

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

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2161889 Alberta Ltd.
PO Box 211
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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 Environmental Protection Order No. 35659-07 was issued to the Parties on March 12, 2021;

WHEREAS Amendment #1 to Environmental Protection Order No. 35659-07 was issued to the Parties on March 19, 2021;

WHEREAS Amendment #2 to Environmental Protection Order No. 35659-07 was issued to the Parties on January 25, 2022;

WHEREAS on May 11, 2022, Mantle Materials Group, Ltd. requested an amendment to the Environmental Protection Order to permit them to remove stockpiled aggregate material from the Pit;

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. Clause 1. of the Environmental Protection Order be deleted and replaced with:

The Parties shall not extract any aggregate material from the Pit.

2. Clause 1a. be inserted after Clause 1 as follows:

The Parties shall not remove any stockpiled aggregate material from the Pit except for the removal of no greater than 25,000 tonnes of stockpiled aggregate material from **June 1, 2022 to July 31, 2022** from the areas within the Pit shown in purple and identified as “Pitrun” and “Product” on the map in Appendix B to this Amendment.

3. A new Clause 1b. be inserted after Clause 1a. as follows:

By no later than **October 31, 2022**, the Parties shall submit a surface material lease annual return to AEP and pay the royalties for the aggregate

material described in Clause 1a. removed from the Pit, and by no later than **November 15, 2022**, and provide a written report to the Director that includes:

- i. volume of aggregate material removed from the Pit between June 1 and July 31, 2022, and
- ii. a copy of the submitted surface material lease annual return.

DATED at the City of Edmonton in the Province of Alberta, this Tuesday the 17th day of May 2022.

Heather Dent
Compliance Manager

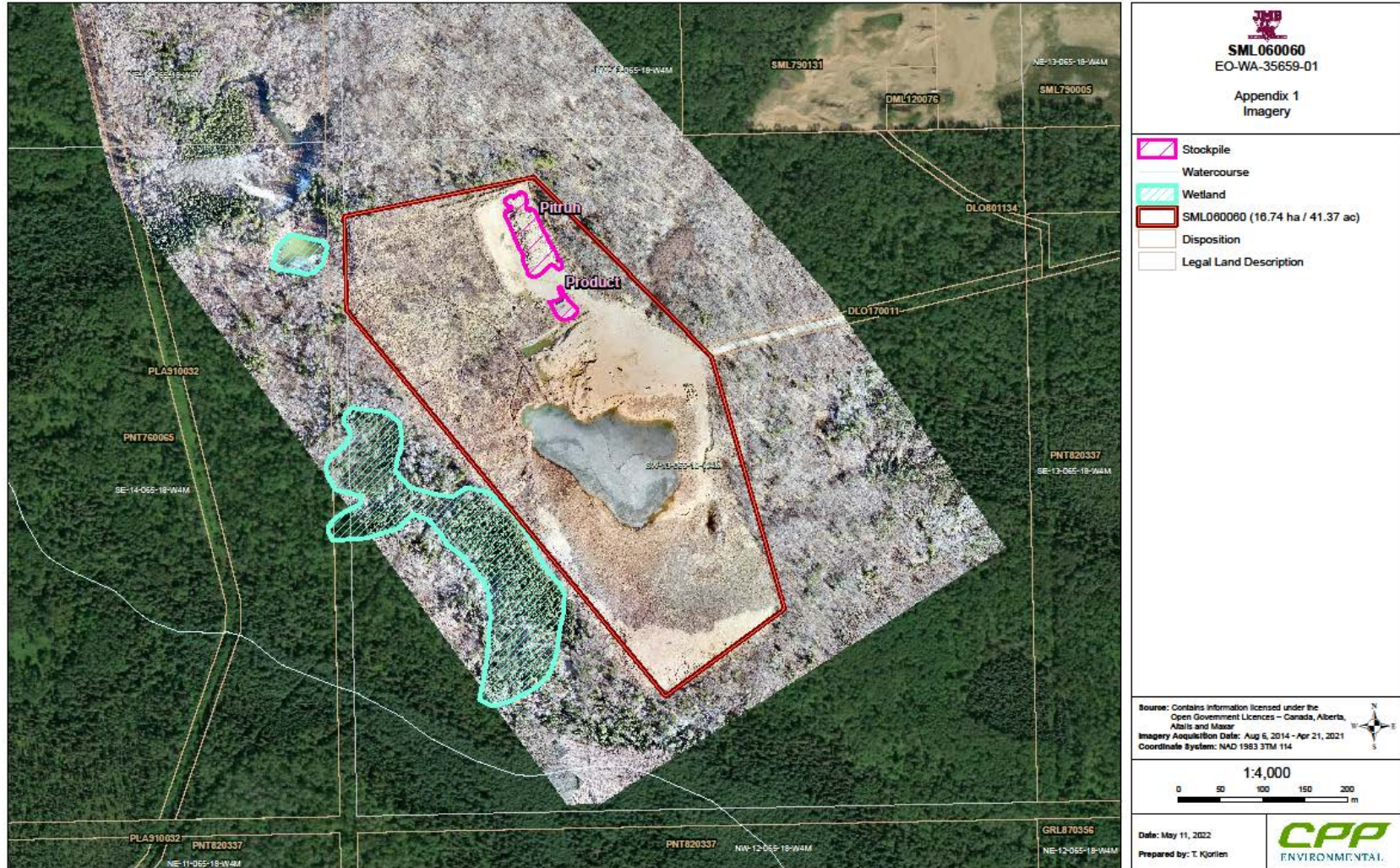
Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board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

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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 B



ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 4

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

I, Heather Dent, the Director, pursuant to section 243(1) of the *Environmental Protection and Enhancement Act*, DO HEREBY AMEND Environmental Protection Order No. EPO-EPEA-35659-07 ["Order"] by:

- 1) Consolidating Amendment No. 1 dated March 19, 2021, which deleted March 31, 2021 from Clause 3 and replaced it with May 31, 2021 into the Order;
 - 2) Consolidating Amendment No. 2 dated January 25, 2022 which:
 - a. recognized the name change from 2161889 Alberta Ltd. to Mantle;
 - b. deleted September 20, 2022 from Clause 4(h) and replaced it with October 31, 2022;
 - c. deleted September 20, 2022 from Clause 4(i) and replaced it with November 1, 2022; and
 - d. deleted July 15, 2021, November 15, 2021, May 15, 2022, and July 31, 2022 from Clause 6 and replaced it with July 29, 2022, October 28, 2022, September 22, 2023, and September 20, 2024;
 - 3) Consolidating Amendment No. 3 dated May 17, 2022 which:
 - a. Deleted Clause 1 of the Order and replaced it with:
 - i. The Parties shall not extract any material from the Pit.
 - b. Added Clause 1a to the Order following Clause 1:
 - i. The Parties shall not remove any stockpiled aggregate material from the Pit except for the removal of no greater than 25,000 tonnes of stockpiled aggregate material from June 1, 2022 to July 31, 2022 from the area within the Pit shown in purple and identified as "Pitrun" and "Product" on the map in Appendix B to this Amendment.
 - c. Added Clause 1b to the Order following Clause 1a:
 - i. By no later than October 31, 2022 the Parties shall submit a surface material lease annual return to AEP and pay the royalties for the aggregate material described in Clause 1a. removed from the Pit, and by no later than November 15, 2022, and provide a written report to the Director that includes:
 1. Volume of aggregate material removed from the Pit between June 1 and July 31, 2022, and
 2. A copy of the submitted surface material lease annual return.
 - 4) Deleting the words crossed out below from the Order; and
 - 5) Adding the underlined words below to the Order.
-

Dated at the City of Edmonton in the Province of Alberta, this 16th day of June, 2023.

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.

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.
JMB Crushing Systems Inc.
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United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.
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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 on March 19, 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 on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022, Mantle Materials Group, Ltd. (“Mantle”) submitted the Consolidated Remedial Plan (the “Plan”) for AEP’s review;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

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 on January 25, 2022, AEP approved the Consolidated Remedial Plan and notified the parties;

WHEREAS on October 21, 2022 date, Mantle requested revisions to the Consolidated Remedial Plan, which included:

- a new date to submit a Revised Consolidated Remedial Plan to AEP for it review and approval;
- new deadlines to submit progress updates to the Director; and
- a new deadline to submit the final report to the Director.

WHEREAS on June 14, 2023, AEP approved the Revised Consolidated Remedial Plan, which included new deadlines to submit progress updates to the Director and a new deadline to submit the final report to the Director, and notified the parties;

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.
 - 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 **November 1, 2023** as the completion date.
 - i. A six month monitoring and maintenance program commencing **November 1, 2023**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Revised Consolidated Remedial 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, October 16, 2023 and October 15, 2024** 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 Wednesday on the 12th day of March, 2021.

[Original Order signed and dated March 12, 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

Scale: 1 : 4,000

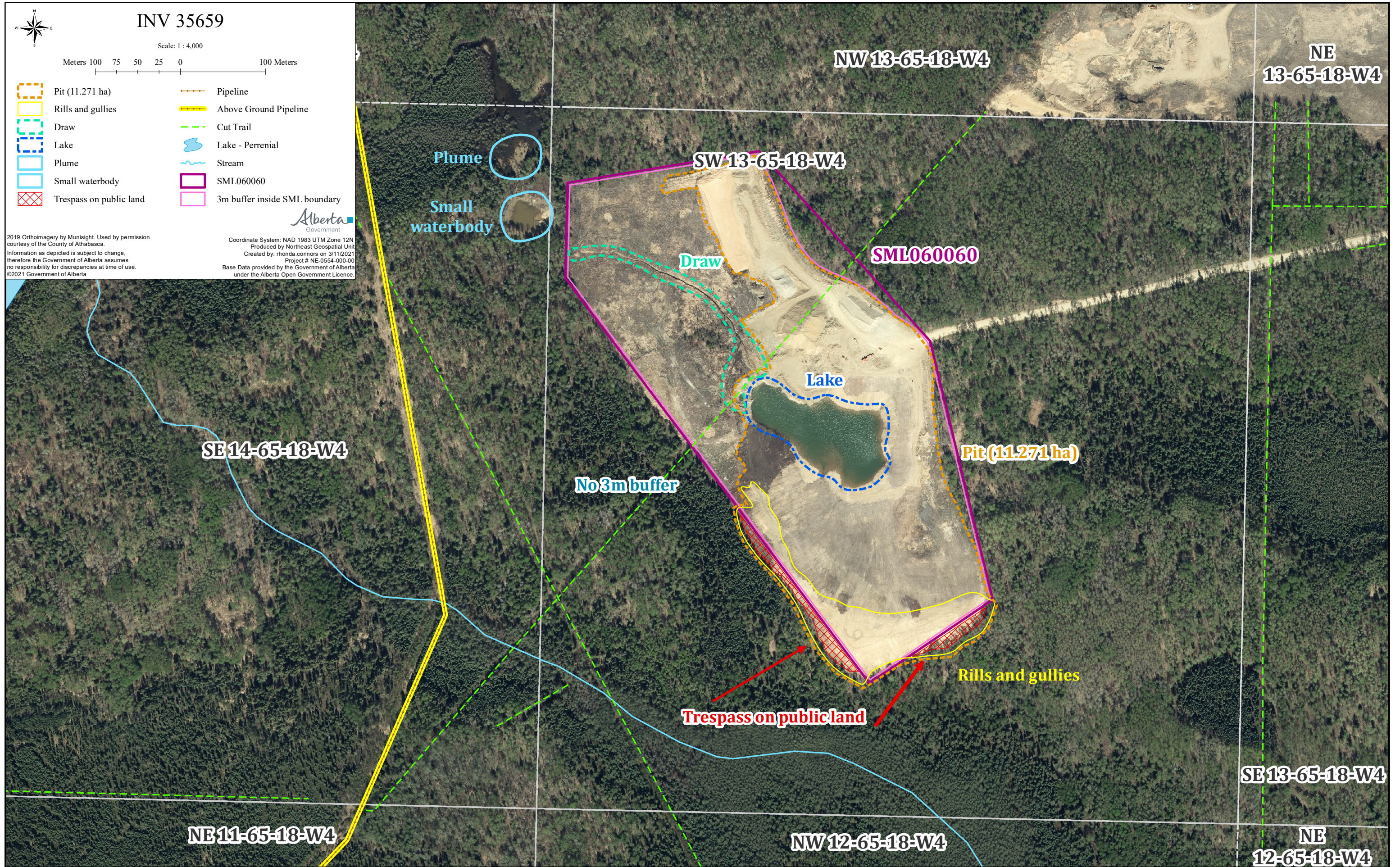
Meters 100 75 50 25 0 100 Meters

- Pit (11.271 ha)
- Rills and gullies
- Draw
- Lake
- Plume
- Small waterbody
- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cut Trail
- Lake - Perennial
- Stream
- SML060060
- 3m buffer inside SML boundary



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Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rmonda.conners on 3/11/2021
Project # NE-0554-000-00
Base Data provided by the Government of Alberta under the Alberta Open Government Licence.



NW 13-65-18-W4

NE 13-65-18-W4

SW 13-65-18-W4

Plume
Small waterbody

Draw

SML060060

Lake

SE 14-65-18-W4

Pit (11.271 ha)

No 3m buffer

Rills and gullies

Trespass on public land

SE 13-65-18-W4

NE 11-65-18-W4

NW 12-65-18-W4

NE 12-65-18-W4

WATER ACT

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

ENFORCEMENT ORDER NO. EO-WA-35659-01

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P.O. Box 6977
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T9N 2H4

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541466 Alberta Ltd.
o/a JLG Ball Enterprises
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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

Scale: 1 : 4,000

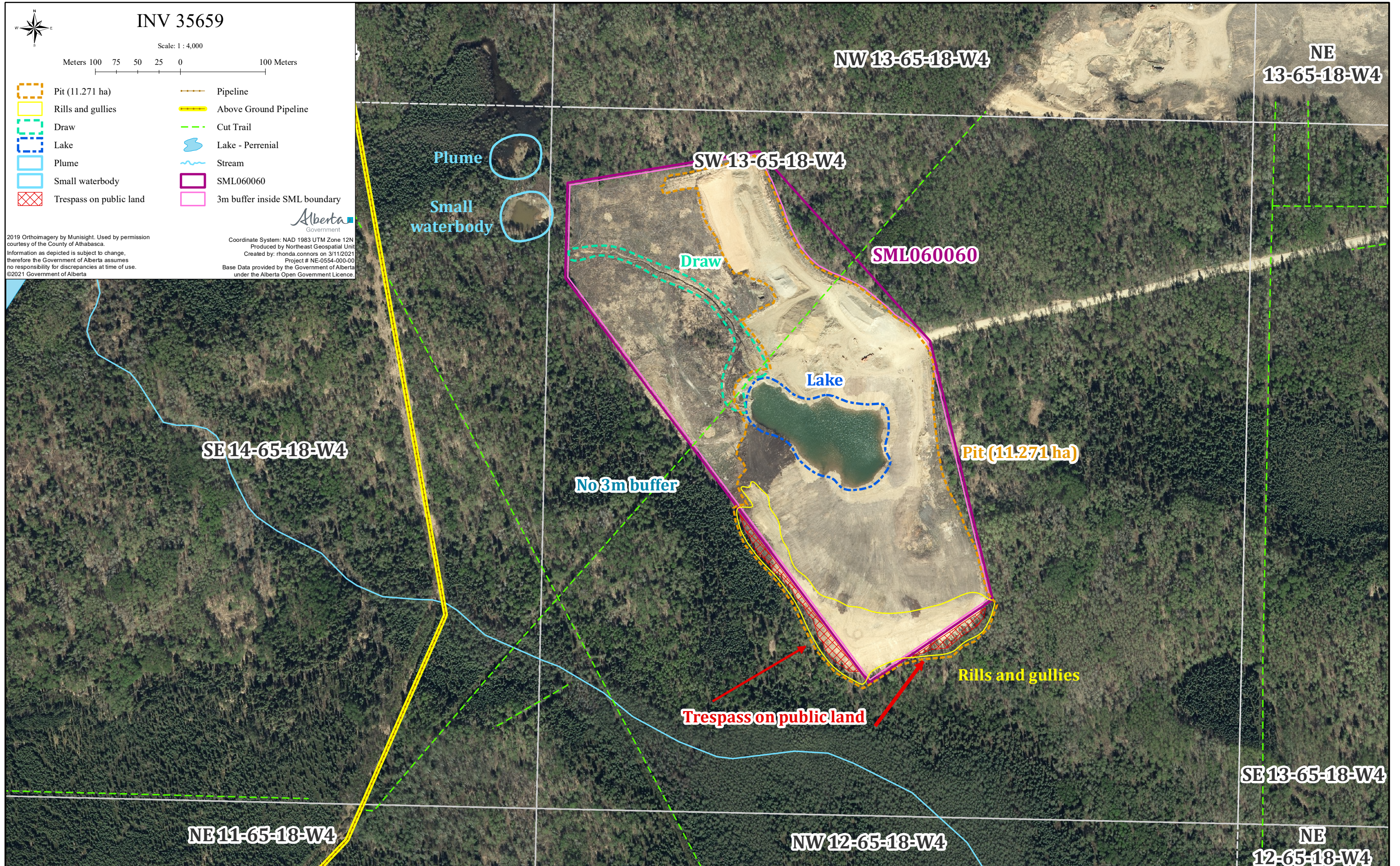
Meters 100 75 50 25 0 100 Meters

- Pit (11.271 ha)
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- Draw
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- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cut Trail
- Lake - Perennial
- Stream
- SML060060
- 3m buffer inside SML boundary



2019 Orthoimagery by Munsight. Used by permission
courtesy of the County of Athabasca.
Information as depicted is subject to change,
therefore the Government of Alberta assumes
no responsibility for discrepancies at time of use.
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Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: ronda.conners on 3/11/2021
Project # NE-0554-000-00
Base Data provided by the Government of Alberta
under the Alberta Open Government Licence.



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.
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1400 16th Street, Suite 320
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PO Box 211
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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 19th 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.

WATER ACT

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

Amendment No. 2

To

ENFORCEMENT ORDER NO. EO-WA-35659-01

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.
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Robert W. Beaverford
52547 RR 223
Sherwood Park, AB
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[Collectively, the “Parties”]

WHEREAS Amendment #1 to Enforcement Order No. 35659-01 was issued to the Parties on March 19, 2021;

WHEREAS on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022, Mantle Materials Group, Ltd. (“Mantle”) submitted the Consolidated Remedial Plan (the “Plan”) for AEP’s review;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

WHEREAS on January 25, 2022, AEP approved the Consolidated Remedial Plan and notified the parties;

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. The name of 2161889 Alberta Ltd. is revised to reflect the amalgamation with Mantle.
2. In Clause 4(i) of the Enforcement Order, that the date of “October 1, 2021” be deleted and replaced by “**November 1, 2022**”.
3. In Clause 8 of the Enforcement Order, that the dates of “July 15, 2021; November 15, 2021; May 15, 2022; and July 31, 2022” be deleted and replaced by “**July 29, 2022; October 28, 2022; May 12, 2023; September 22, 2023; and September 20, 2024**”.
4. In Clause 9 of the Enforcement Order, that the date of “October 30, 2022” be deleted and replaced by “**November 30, 2024**”.

DATED at the City of Edmonton in the Province of Alberta, this Tuesday the 25th day of January 2022.

Heather Dent
Compliance Manager
Boreal District – East 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.

WATER ACT

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

Amendment No. 3

ENFORCEMENT ORDER NO. EO-WA-35659-01

I, Heather Dent, the Director, pursuant to section 137(1) of the *Water Act*, DO HEREBY AMEND Enforcement Order No. EO-WA-35659-01 ["Order"] by:

- 1) Consolidating Amendment No. 1 dated March 19, 2021, which deleted March 31, 2021 from Clause 3 and replaced it with May 31, 2021 into the Order;
- 2) Consolidating Amendment No. 2 dated January 25, 2022 which:
 - a. recognized the name change from 2161889 Alberta Ltd. to Mantle;
 - b. deleted October 1, 2021 from Clause 4(i) and replaced it with November 1, 2022;
 - c. deleted July 15, 2021, November 15, 2021, May 15, 2022, and July 31, 2022 from Clause 8 and replaced it with July 29, 2022, October 28, 2022, September 22, 2023, and September 20, 2024; and
 - d. deleted October 30, 2022 from Clause 9 and replaced it with November 30, 2024.
- 3) Deleting the words crossed out below from the Order; and
- 4) Adding the underlined words below to the Order.

Dated at the City of Edmonton in the Province of Alberta, this 16th day of June, 2023.

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:

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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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2300, 10180 – 101 St NW
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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 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 on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022, Mantle Materials Group, Ltd. (“Mantle”) submitted the Consolidated Remedial Plan (the “Plan”) for AEP’s review;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

WHEREAS on January 25, 2022, AEP approved the Consolidated Remedial Plan and notified the parties;

WHEREAS on October 21, 2022 date, Mantle requested revisions to the Consolidated Remedial Plan, which included:

- a new date to submit a Revised Consolidated Remedial Plan to AEP for it review and approval;
- new deadlines to submit progress updates to the Director; and
- a new deadline to submit the final report to the Director.

WHEREAS on June 14, 2023, AEP approved the Revised Consolidated Remedial Plan, which included new deadlines to submit progress updates to the Director and a new deadline to submit the final report to the Director, and notified the parties;

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 **May 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 **November 1, 2022**.
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 Revised Consolidated 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 Revised Consolidated Remedial Plan.
8. The Parties shall submit progress updates to the Director on **July 29, 2022; October 28, 2022; May 12, 2023; ~~September 22, 2023;~~ October 16, 2023; and ~~September 20, 2024~~ October 15, 2024** 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 **~~November 30, 2024~~ November 30, 2025**.

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

[Original Order signed and dated March 12, 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.

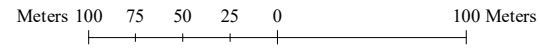
Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.

APPENDIX A



INV 35659

Scale: 1 : 4,000

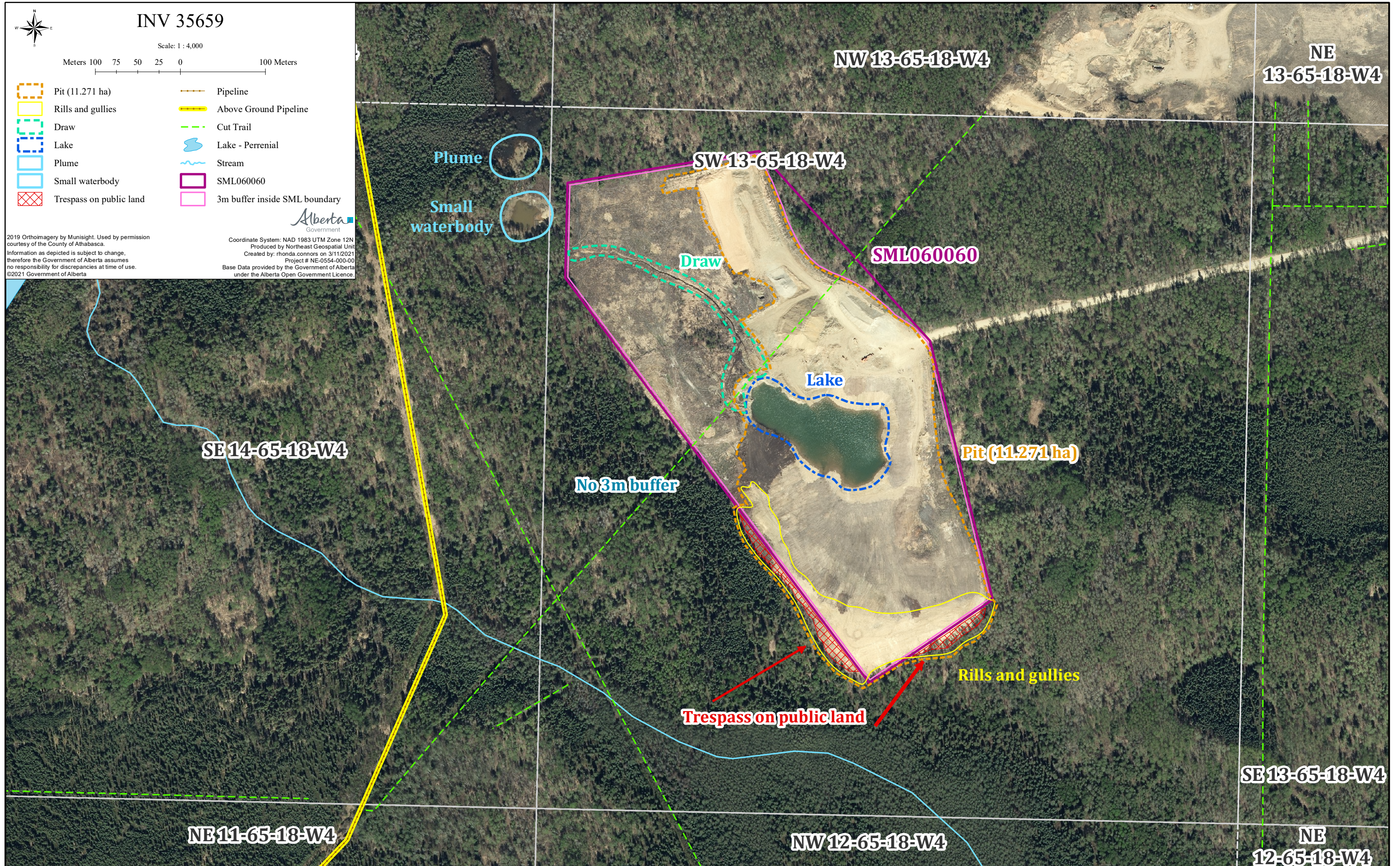


- Pit (11.271 ha)
- Rills and gullies
- Draw
- Lake
- Plume
- Small waterbody
- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cut Trail
- Lake - Perennial
- Stream
- SML060060
- 3m buffer inside SML boundary



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courtesy of the County of Athabasca.
Information as depicted is subject to change,
therefore the Government of Alberta assumes
no responsibility for discrepancies at time of use.
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Coordinate System: NAD 1983 UTM Zone 12N
Produced by Northeast Geospatial Unit
Created by: rmonda.conners on 3/11/2021
Project # NE-0554-000-00
Base Data provided by the Government of Alberta
under the Alberta Open Government Licence.





Revised Remedial Plan

Water Act Enforcement Order EO-WA-35659-01
Environmental Protection Order EPO-EPEA-35659-07

Prepared for: Mantle Materials Group, Ltd.
January 27, 2023 (*Original Submission June 2021*)



Charette
Pell
Poscente

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PROFESSIONAL SIGNOFF

This report was prepared exclusively for the client by CPP Environmental. The quality of the information, conclusions, and any estimates are based on information available at the time of the preparation of the report. This includes any data supplied by 3rd party sources.

This report is to be used by the client for its identified intention, subject to any terms or agreements with CPP Environmental. Any other use of this report is at the user's own risk.



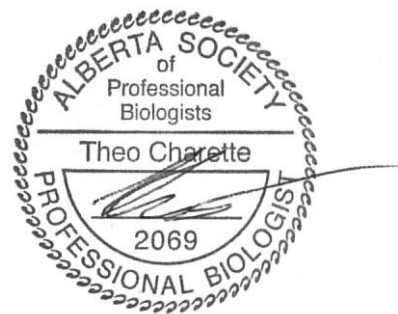
Prepared by: _____

Annette Bugnet, RPFT

To the best of my knowledge and the best of my professional ability, recognizing reasonable standard of care expected of a professional doing this work, it is my professional opinion that all the information contained in this report is accurate and complete, and contains all the relevant information for the purposes of this project or application.

This report, including all attachments, data, and supplemental information, were prepared by me or under my direct supervision and has been reviewed and accepted by me.

All the information submitted is, to the best of my knowledge, true, accurate, and complete.



Reviewed by: _____

Théo Charette, M.Sc., P.Biol.

EXECUTIVE SUMMARY

A Remedial Plan was developed by CPP Environmental in June 2021 on behalf of Mantle Materials Group, Ltd. in response to the Water Act Enforcement Order No. EO-WA-35659-01 and Environmental Protection Order No. EPO-EPEA-35659-07. The document was developed in consultation with Mantle Materials Group, Ltd. representatives and Environment and Protected Areas. This Remedial Plan was intended to meet the requirements listed in the EO and the EPO which consisted of the remediation and reclamation of the waterbody and the ditches present on SML060060.

Since commencing operations in 2022, remediation and recontouring of the ditches, interim remediation of the southwest erosion areas, recontouring of the northeast portion, and partial backfilling of the waterbody has occurred. During the remediation operations, Mantle Materials Group, Ltd. has encountered challenges including buried topsoil and coarse woody debris and increased fill material requirements.

This revised Remedial Plan is based on the approved 2021 Remedial Plan but has been updated to include an end pit waterbody design in the final reclamation. This plan also incorporates all supplemental information requested from the original Remedial Plan submission.

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Appendix 11 - Alberta Conservation Information Management System (ACIMS) and Fish and Wildlife Management Information Internet Mapping Tool (FWIMT) Documentation

1 Introduction

This revised Remedial Plan (“this Plan” hereafter) has been developed in response to the Water Act Enforcement Order No. EO-WA-35659-01 (“EO” hereafter) and the Environmental Protection Order EPO-EPEA-35659-07 (“EPO” hereafter) on behalf of Mantle Materials Group, Ltd. (“Mantle” hereafter). Development of this document only pertains to the requirements identified on Page 5, Clause 4 (a – i) of the EO and the EPO. Activities as identified within the document are subject to Environment and Protected Areas (“EPA” hereafter) and Forestry, Parks and Tourism (“FPT” hereafter) approval and are subject to changes or amendments following review by EPA and FPT. The Plan has been developed as a joint plan for both the EO and EPO to allow for simultaneous remedial and reclamation activities for both enforcement orders. Mantle is aware of, and agrees to, the commitments made in this document. Partial remediation work had started, and was completed, in 2022; this Plan identifies these operations but focuses on current conditions and operations moving forward.

1.1 Project Background

SML060060 is a 16.77 ha (41.44 ac) gravel pit located in SW 13-065-18 W4M. Mantle took over the pit in March 2019, which included aggregate extraction and processing operations. Prior to this, the pit had been operated for years under other lease holders. The most recent Conservation and Reclamation Business Plan (“CRBP” hereafter) for SML060060 was approved in May 2014 (CRB No. 100024). Refer to **Table 1** for disposition information. Refer to **Appendix 1** – Overview Map and **Appendix 2** – Imagery Map.

Table 1: Disposition Information

Disposition	Approval Date	Expiry Date	Status/ Information
SML060060	May 28, 2014	May 27, 2024	The pit is currently inactive. EO / EPO in place.

This Plan was developed in accordance with Clause 4 of the EO and EPO outlined by EPA and FPT. Refer to **Table 2** for the EO and EPO requirements and their corresponding sections within this Plan.

Table 2: EO and EPO Requirements and Corresponding Remedial Report Sections

Document	Clause	Clause Description	Remedial Plan Section
EO	4(a)	A detailed assessment of the Lands including drainage, soils, vegetation, water (ground/surface) and any affected areas surrounding the Lands.	Section 2 - Biophysical Description Appendix 1 – Overview Map Appendix 4 - Original and Current Drainage Maps Appendix 3 - Current Site Conditions
	4(b)	Apply for required authorizations to conduct remedial activities of the Land.	Section 2.1.3 - Authorizations
	4(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.	Section 3 - Drainage Appendix 4 - Original and Current Drainage Maps

Document	Clause	Clause Description	Remedial Plan Section
	4(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.	Section 4 - Hydrological Assessment
	4(e)	A detailed description of how the lake on the Lands will be reclaimed.	Section 7 - Remediation and Reclamation Activities
	4(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.	Section 7.1.1 - Dewatering and Water Management
	4(g)	A description of the type of equipment, methods, and materials that will be used in implementing the Remedial Plan.	Section 7 - Remediation and Reclamation Activities
	4(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 4(e) and 4(f) of the Order.	Section 8 - Monitoring and Maintenance
	4(i)	A schedule of implementing the Remedial Plan with a completion date no later than October 1, 2021 (amended to September 20, 2022).	Section 9 - Schedule of Activities
EPO	4(a)	Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.	Section 2 - Biophysical Description
	4(b)	A historical synopsis of the surface, subsurface and groundwater disturbance.	Section 2.1.1 - Historical Disturbance
	4(c)	A description of the adjacent land uses.	Section 2.1.2 - Adjacent Land Uses
	4(d)	An accounting of what volume of marketable aggregate is left within the Pit and its value.	Section 2.1.4 - Current Marketable Aggregate
	4(e)	A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.	Section 7 - Remediation and Reclamation Activities
	4(f)	A description of the proposed reclaimed land use that includes elevations, soil replacement and revegetation.	Section 7 - Remediation and Reclamation Activities
	4(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.	Section 7.1.1 - Dewatering and Water Management

Document	Clause	Clause Description	Remedial Plan Section
	4(h)	A proposed Schedule of Implementation that shall have September 20,2022 as the completion date.	Section 9 - Schedule of Activities
	4(i)	A six-month monitoring and maintenance program commencing September 20, 2022.	Section 8 - Monitoring and Maintenance

Table 3 outlines the communications between Mantle and EPA regarding the EO and EPO for SML 060060. Refer to **Appendix 7** for the corresponding documentation.

Table 3: Documented communications regarding the EO and EPO for SML 060060

Date	Communication Details
February 23, 2021	Letter of Non-Compliance from EPA to 2161889 Alberta Ltd.* regarding SML060060.
February 26, 2021	A letter was written from 2161889 Alberta Ltd. in response to EPA’s investigation (#35659) indicating a written plan was required to resolve the current non-compliances.
March 1, 2021	A 7 Day Letter was sent from 2161889 Alberta Ltd. to EPA following the report of a non-compliance (construction of a waterbody without authorization under the Water Act).
March 12, 2021	An EO and an EPO were sent to 2161889 Alberta Ltd. outlining requirements for SML060060 compliance.
March 19, 2021	EPA approved an amendment to the EO and EPO submission dates from March 31, 2021 to May 31, 2021.
June 2, 2021	An amendment was requested to change the submission date of the EO and EPO from May 31, 2021 to June 14, 2021. The dates were not amended but EPA confirmed in a letter that no enforcement of the EO and EPO would occur before June 21, 2021.
June 17, 2021	A Remedial Plan was submitted to the EPA.
June – December, 2021	Multiple supplemental information requests were sent to Mantle in response to the Remedial Plan. Mantle provided responses to all additional information requested.
January 25, 2022	Mantle received EPA approval for the consolidated Remedial Plan.
October 21, 2022	EPA received a request from Mantle to revise the Consolidated Remedial Plan approved by EPA on January 25, 2022 related to the EPO and EO.
October 28, 2022	Mantle submitted an EPO/EO Progress Update Report to EPA outlining all remediation and reclamation activities completed in 2022.
November 8, 2022	A letter was written by EPA in response to the Mantle’s request. The letter outlined requirements to include in the revised remedial plan and a <i>Water Act</i> approval application with a submission date of December 2, 2022.
November 29, 2022	EPA approved an amendment to the revised remedial plan and <i>Water Act</i> approval application submission dates from December 2, 2022 to February 2, 2023.

*Mantle has acquired 2161889 AB Ltd. and therefore assumes all liabilities of the aforementioned company.

2 Biophysical Description

Biophysical information was gathered from the previously approved CRBP (2010), through an onsite visit by CPP Environmental (May 2021) and from onsite documentation and drone data collected during remediation operations in 2022.

2.1 Land Use

2.1.1 Historical Disturbance

The SML has been operated for aggregate extraction for many years. During this time, the following disturbance has occurred:

- Clearing and salvaging of woody vegetation within the SML boundary
- Stripping and salvaging of topsoil and subsoil within the SML boundary
- Extraction and stockpiling of aggregate
- The construction of a waterbody within the SML boundary which retains both groundwater and local surface water. The entire waterbody is connected to the water table, and thus the surface of the waterbody is the surficial expression of the water table. Refer to **Appendix 3** – Current Site Conditions Map.
- The construction of a drainage ditch from the waterbody to the northwest boundary of the SML which contained flow from the waterbody during the 2021 site assessment.

On October 28, 2022, Mantle provided an update of remedial works completed at SML060060 (**Appendix 7**) based on the 2021 Remedial Plan. Remediation works completed to date include:

- Remediation of the north ditches including stripping soils, recontouring, final topsoil placement (completed August 30, 2022).
- Final recontouring of the northeast portion of the SML; interim remediation of south and southwest erosion area; salvaging of topsoil and woody debris; topsoil stripping; dewatering of the waterbody; partial backfilling of waterbody (completed October 21, 2022).

Refer to **Appendix 4** for current site conditions.

2.1.2 Adjacent Land Uses

There are no industrial land uses directly adjacent to SML 060060. Refer to **Appendix 1** – Overview Map for the adjacent land features within a 5 km radius.

2.1.3 Authorizations

To dewater the waterbody, a Temporary Field Authorization (TFA) will be required which will be obtained prior to pump out. Access to the site will require multiple road and land use agreements (**Appendix 8** – Road Use Documentation). Public and private land access from SML060060 includes:

- Public:
 - DLO 170011 – Mantle.
 - DLO 801134 - Travis Skoreyko. Through the CCAA process Mantle has acquired the RUA for DLO 801134. Alberta 2161889 acquired it from the previous SML lease holder.
 - Surveyed Road Allowance – Athabasca County. RUA application in progress. As per historic communications with AEP and Athabasca County, approval from the County will be in place prior to use of the road allowance and crossing of the Amisk River. No TFA will be required.

- Private:
 - No private RUA is required as the Athabasca County RUA will cover the access from DLO 801134 to Highway 663.

2.1.4 Current Marketable Aggregate

There is no marketable aggregate on site. This was determined through professional judgement, industry experience, and multiple on-site assessments. Mantle does not plan on aggregate mining operations.

2.2 Topography and Drainage

General topography of the area is undulating and hummocky with a downward slope to the northwest. Average slopes are gentle (6-9%) (CRBP, 2010). The lease consists of predominantly medium to coarse materials (refer to *Section 2.4 – Soils*) and is well drained through subsurface drainage with little to no natural surface runoff (CRBP, 2010). The natural topography of the area slopes northwest towards Amisk Lake and the Amisk River. Refer to **Appendix 4** for the current drainage map.

2.3 Land Capability

According to AGRASID (Alberta Agriculture and Forestry, 2021), the SML is located in polygon ID 21624 which has a Land Suitability Rating of 2(8) – 5W(2). This indicates that for agricultural production, 80% of the polygon has slight soil limitations while the other 20% has very severe excess water which would limit production (not due to inundation).

The area was previously forested wildlife habitat, and it will be reclaimed as such. The Canada Land Inventory Index (CLI) identifies forestry as predominantly 4 (having moderate limitation to growth of commercial forest) (Government of Canada, 2019). Undisturbed stands surrounding the SML were observed in 2021 as productive with merchantable timber; stockpiles and disturbed areas (cleared but not extracted) were showing signs of natural regeneration throughout the SML.

2.4 Soils

A review of the Agricultural Region of Alberta Soil Inventory Database (AGRASID) (Alberta Agriculture and Forestry, 2021) identifies the pit to be in polygon ID 21624. The polygon identifies the site to consist of Orthic Gray and Dark Gray Luvisols on medium textured till. Soils on site consist of predominantly medium to coarse materials. The 2021 assessment of undisturbed areas surrounding the SML identified the soil characteristics shown in **Table 4**.

Table 4: Summary of topsoil and subsoil horizons surrounding the SML

Soil Layer	Average Thickness (m)	Range of Thickness (m)	Texture
Topsoil (LFH + A horizons)	0.12	0.09 – 0.15	LFH; Sandy Clay Loam; Sandy Loam
Subsoil/Overburden	0.70	0.65 – 0.74+	Sandy Clay Loam; Loamy Sand; Sand; Sandy Loam

2.5 Vegetation

The site is located within the Dry Mixedwood Natural Subregion. This subregion is commonly composed of trembling aspen stands with scattered white spruce, interspersed fens, and cultivated lands (Natural Regions Committee, 2006). Refer to **Table 5** for a summary of the vegetation found within and surrounding the SML.

Table 5: Summary of vegetation within and adjacent to the SML

Source	Ecosite	Identified Species
CRBP 2010, Pg.8	Not specified	Balsam poplar (<i>Populus balsamifera</i>) Lodgepole pine (<i>Pinus contorta</i>) Trembling aspen (<i>Populus tremuloides</i>) White birch (<i>Betula papyrifera</i>) White spruce (<i>Picea glauca</i>)
Site Assessment (May 2021) * Observed within the Surrounding Undisturbed Areas	d1, d2	Beaked hazelnut (<i>Corylus cornuta</i>) Bog cranberry (<i>Vaccinium vitis-idaea</i>) Bunchberry (<i>Cornus canadensis</i>) Grass species Ground pine (<i>Lycopodium obscurum</i>) Knight's plume moss (<i>Ptilium crista-castrensis</i>) Labrador tea (<i>Rhododendron groenlandicum</i>) Low-bush cranberry (<i>Viburnum edule</i>) Prickly wild rose (<i>Rosa acicularis</i>) Red osier dogwood (<i>Cornus sericea</i>) Schreber's moss (<i>Pleurozium schreberi</i>) Snowberry (<i>Symphoricarpos albus</i>) Trembling aspen (<i>Populus tremuloides</i>) Twinflower (<i>Linnaea borealis</i>) White birch (<i>Betula papyrifera</i>) White spruce (<i>Picea glauca</i>) Wild red raspberry (<i>Rubus idaeus</i>) Wild strawberry (<i>Fragaria virginiana</i>) Willow species (<i>Salix spp</i>)
	e2	Beaked hazelnut (<i>Corylus cornuta</i>) Bishop's cap (<i>Mitella nuda</i>) Current (<i>Ribes spp</i>) Low-bush cranberry (<i>Viburnum edule</i>) Red osier dogwood (<i>Cornus sericea</i>) Trembling aspen (<i>Populus tremuloides</i>) White birch (<i>Betula papyrifera</i>) White spruce (<i>Picea glauca</i>) Wild strawberry (<i>Fragaria virginiana</i>)

Source	Ecosite	Identified Species
	g1** (wooded coniferous swamp)	Black spruce (<i>Picea mariana</i>) Bog cranberry (<i>Vaccinium vitis-idaea</i>) Knight's plume moss (<i>Ptilium crista-castrensis</i>) Schreber's moss (<i>Pleurozium schreberi</i>) Moss species Labrador tea (<i>Rhododendron groenlandicum</i>)

*Due to the timing of the site assessment, not all vegetation was observable or identifiable.

**A soil pit assessment could not be completed due to the ground being frozen; therefore, the ecosite identification is based strictly on vegetation identified within the site.

2.6 Hydrology

The SML is located within the Beaver River Watershed. There are no adverse impacts anticipated to local hydrology as a result of the remediation operations.

2.6.1 Ground Hydrology

A search of Alberta Water Well Information Database (Government of Alberta, 2023) identified no water wells within 400 m of the SML and two water wells within 1.6 km south of the SML. Characteristics of the wells can be seen in **Table 6**. Both wells are south of the SML and have noted static water levels of 9.14 m and 11.80 m.

Table 6: Summary of groundwater wells within 1.6 km of site

Well ID (Test Date)	Location	Static Water Level (m)	Completion Depth (m)	Screen Depth Interval (m)
258161 (06/09/1995)	NE 11-65-18 W4M	11.80	48.77	39.62 – 42.67
167963 (07/31/1992)	NW 12-65-18 W4M	9.14	45.72	39.62 – 45.72

Testing data from 2009 identified water in 7 of 41 holes at depths ranging from 6.0 to 18.0 m. During the 2021 site assessment, one soil pit, located on the east side of the pit, was wet at the bottom (0.72 m). Refer to **Appendix 3** – Site Conditions Map for the location of this plot. Due to the time of the assessment, the water could have been influenced by spring melt. Considering the depth of the water encountered and since remediation will consist predominantly of recontouring, this should not be a concern during remediation operations. It is important to note that water tables are dynamic in nature, being subject to seasonal fluctuation.

Water levels within the waterbody were monitored from May 17, 2021 to August 19, 2021 which determined water levels decreased an average of 15.7 cm (**Appendix 9** - Site Photos). The highest water table elevation recorded on site was 627.5m (location: 54.620841, -112.596764) on May 17, 2021; this elevation data was taken prior to remedial works in 2022. Refer to **Appendix 4** – Watershed and Drainage Map for the hydrological connection to the adjacent wetlands.

The water tables identified in **Appendix 6** - Conceptual Reclamation Map and Cross Sections were developed using the following data:

- Test hole data included in the approved 2010 CRBP (from 2006/2009, attached and shown in additional mapping). This data provided an estimation of the water table depths and the lithology of the site which are shown in **Appendix 6**. Refer to **Appendix 10** for the testing data.
- Water levels of the surficial aquifer identified at the time of assessment.
- Since the identified wetland directly west (wooded coniferous swamp S-Wc) that intersects with the cross section was frozen at the time of assessment, the water table is assumed to be at or just below the surface on the west boundary of the SML in cross sections “B” and “C”.

It is important to note that the testing data used for the lithology and water table estimation is from data collected by the previous lease holder. Mantle cannot guarantee the accuracy of the data. Also, the updated cross sections included in this revised Plan were completed using different software to reduce the skewed scale due to the vegetation elevation included in the drone data; the updated cross sections portray identical information.

2.6.2 Surface Hydrology

The SML is located approximately 550 m east of Amisk Lake (FWMIS ID 3916), 350 m south of the Amisk River (FWMIS ID 1965), and 100 m north of an unnamed watercourse (FWMIS ID 298582).

Two wetlands were identified adjacent to the SML. A wooded coniferous swamp (S-Wc) was identified along the west boundary of the SML (refer to **Table 5** for a list of the vegetation) and a seasonal graminoid marsh (M-G-III) to the northwest of the SML. Refer to **Appendix 3** for wetland locations.

2.6.3 Current Non-Natural Water Features

There is currently a waterbody within the SML boundary; two ditches that were documented on site in 2021 have since been remediated and reclaimed. The waterbody, located in the middle of the SML, is due to excavation within the water table. The average depth of the waterbody based on the dry pit drone data and the data listed in *Section 2.6.1 – Ground Hydrology* is approximately 5.5 m. Refer to **Appendix 3** for the waterbody location.

2.7 Erosion and Sedimentation

The 2021 site assessment identified potential impacts outside of the SML boundary due to the documented site conditions:

- Trespass on the south and southwest boundary with signs of rill and gully erosion. Visual sign of sedimentation in the adjacent forested stand due to the erosion (0.91 ha).
 - Interim remediation was completed on this area in the fall of 2022; all erosion gullies were filled in and re-sloping was completed to a 4:1 (rise:run) slope. Refer to **Appendix 3 – Site Conditions Map** and **Appendix 9** for photos of the interim remediation.
- Sedimentation in two adjacent wetlands northwest of the SML due to erosion from the drainage ditch. Water flowing from the waterbody and through the ditch had deposited sandy soils into the wetlands as far out as 100 m from the SML boundary. The deposition consisted primarily of coarse mineral soils (C horizon / overburden) which covered the vegetation in the area. Deposition depths reached a maximum of 70 cm with some vegetation established in shallower areas. Refer to **Appendix 9 – Site Photos** for documentation from the 2021 site visit.
 - Remediation of the two ditches was completed in the fall of 2022. This included filling in and recontouring the ditches and spreading topsoil on the remediated areas. Revegetation will occur by natural ingress. Refer to **Appendix 9** for photos of the ditch remediation.

2.8 Wildlife

As per an Alberta Conservation Information Management System (ACIMS) (Alberta Parks, 2022) and Fish and Wildlife Management Information Internet Mapping Tool (FWIMT) (Government of Alberta, 2022) search on January 21, 2023, no sensitive species or species at risk were identified within 1 km of the lease. The approved CRBP states that the SML is within an ungulate winter range (PNT 950113) and no operations will occur from February 15 – April 30. There were three fish species identified within 1 km of the lease; all species are considered “Secure” under the *Wildlife Act* and are not listed under the *Species at Risk Act*. Refer to **Appendix 11** for the FWMIT and ACIMS documentation.

The lease is within Nesting Zone B5 which has timing restrictions from April 19 – August 29. The CRBP states no operations from early April until August 31. No vegetation clearing will occur within this timeframe. If vegetation removal is required for remediation activities within the timing restrictions, wildlife sweeps will be completed. A wildlife sweep surrounding the waterbody will occur prior to dewatering since dewatering activities are planned within the migratory bird timing restriction.

3 Drainage

3.1 Waterbody Water Source

The waterbody within SML060060 includes input from both groundwater and local surface water/runoff.

3.2 Original Surface Drainage

Due to the coarse surface material, the SML is well drained through subsurface drainage. LiDAR from 2008 – 2009, which represents ground elevations prior to site entry, was used to delineate the watersheds and generate the pre-disturbance surface drainage network using ArcGIS software. The site is shown to use a natural channel to drain northwest towards Amisk Lake and the Amisk River. Refer to **Appendix 4** for the watershed and drainage network maps.

3.3 Current Surface Drainage

Remediation works were completed in 2022; drone elevation data was collected on October 6, 2022 (data collected on the dry pit) and November 4, 2022 (data collected after final work was completed for 2022). The drone elevation data collected was used to generate a post-disturbance surface drainage network (**Appendix 4**, post-reclamation map). These data sets represent feature data including current ground elevations within the SML and the current end pit waterbody elevations. Due to limited available data, 2008 – 2009 LiDAR was used to represent the bare earth data within the undisturbed areas outside of the SML.

The SML is comprised of coarse surface materials allowing surface water to infiltrate into the soils. Surface runoff and/or shallow subsurface drainage likely only occurs during wet periods of the year or during extreme rain events. The waterbody receives local runoff from areas east and southwest of the SML. Drainage within the SML moves northwest towards Amisk Lake and the Amisk River which is similar to the original surface drainage pattern.

4 Hydrological Assessment

4.1 Water Balance

Based on the surficial geology, the constructed waterbody is designed primarily as a Seepage Hydrologic type (refer to **Figure 1**), with minimal runoff. The reclaimed waterbody will be hydraulically connected to the ground water table, as it is now. The waterbody will have no formal inlet, but the reclaimed SML will be recontoured to allow local upgradient drainage to move toward the waterbody. Although there will be some input from local surface runoff, water input will be mainly through water table discharge and precipitation directly on the surface of the waterbody. Water will leave the waterbody through evaporation and seepage into the water table. Throughout most of the year, water levels in the waterbody will largely correspond to the water table; seasonal fluctuation in the waterbody will correspond with local water tables and spring melt. The target depth for the marsh plant zone is 2 m or less, following the accepted definition of a wetland (Green Plan Ltd., 2014). The waterbody will also include a deep-water area (>2 m). Water table elevations were estimated based on the test hole data and the historical site conditions (refer to *Section 2.6.1*). The water balance was calculated for the waterbody as a check to ensure that it will be self sustaining after reclamation from a water availability standpoint. Refer to **Appendix 4** for the site watershed and drainage.

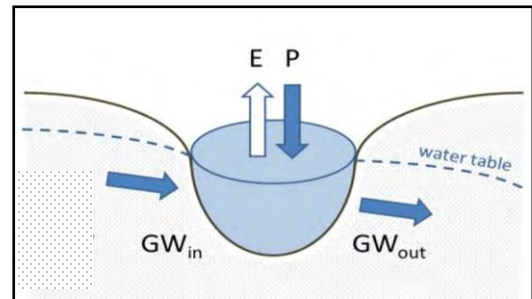


Figure 1: Seepage Hydrologic Waterbody Diagram

Table 7: Water balance calculations for water bodies in end land use design

Parameter	Waterbody
Water Body Surface Area (ha)	1.646
Water Body Volume (m ³)	37,480
Water Body Catchment Area (ha)	37.9
Net Evaporation:	
Lake Area (m ²)	16,460
Local Gross Evaporation (mm)	639.1
Local Precipitation (mm)	452.2
Net Evaporative Loss (m ³)	3,076
Total Inflow:	
Surface Runoff Area (ha)	36.2
Surface Runoff Area (km ²)	0.4
Runoff Rate by Locale (dam ³ /km ²)	32.1
Median Annual Water Body Inflow (m ³)	11,626
Water Balance Results (m³)	8,550

Based on the water balance calculation, it is estimated that the surface water balance for the waterbody is approximately 8,550 m³/year; this indicates that the inflow of water into the waterbody exceeds outflow. Refer to **Table 7** for the calculation and **Appendix 4** for the post-reclamation drainage network map.

4.2 Annual Sediment Load

The ditches from which previous sedimentation had occurred was remediated in August 2022. There will be no further sedimentation occurring from SML060060.

5 Environmental Sensitivities and Mitigation Measures

All reasonable effort will be made to minimize environmental impacts during construction. Potential environmental sensitivities and mitigation measures associated with the remedial activities have been identified in **Table 8**. Note that not all hazards identified will be present on site; this list identifies potential hazards that may appear during the course of remediation and reclamation activities. Many of these measures would require a quick response based on unforeseen circumstances.

Table 8: Project activities and mitigation measures for environmental impacts.

Activity	Potential Impact	Mitigation Measure
Dewatering	Offsite siltation or sedimentation, erosion	<ul style="list-style-type: none"> • If water discharged into a vegetated area has potential to flow into an adjacent waterbody or watercourse, the water must be of equal or better quality of that in the waterbody or watercourse. • Water discharge will be placed in a location where there will not be any erosion or damage to vegetation. Pump discharges shall also be equipped with a diffuser to reduce the potential for erosion. Fabric or poly sheeting and/or sit bags may be placed at the output if scouring becomes an issue. Refer to Appendix 5 for discharge locations. • Discharge will be inspected regularly when pumps are in operation to ensure that erosion or damage to vegetation is not taking place. Frequency of inspections may be reduced to a minimum of once per day, depending on the stability of the discharge area. • Frequency of inspections may be increased to more than hourly in the presence of erosion-related concerns. • If pumping rate is increased, an inspection will take place immediately to ensure that erosion and damage to vegetation is not taking place. • If water levels in the adjacent wetland are decreasing, water will be pumped into the wetland to mitigate further decrease in water level. Water levels will be monitored until water levels in the wetland are back to normal.

Activity	Potential Impact	Mitigation Measure
Storm water management	Siltation or sedimentation offsite	<ul style="list-style-type: none"> Storm water runoff management and temporary erosion controls will be implemented during construction where required. All runoff and excessive water will be managed within the project area. Runoff and excessive water will be directed into designated water holding areas to promote sedimentation of suspended soil particles. Runoff and onsite water diversion techniques will only be utilized if required. Runoff control techniques will be determined based on the applications outlined in Table 7.4 of Alberta Transportation’s Erosion Control Manual (2011).
Use of hazardous materials	Spills enter open water, percolate into the water table, or migrate into local waterbodies or watercourses	<ul style="list-style-type: none"> We do not anticipate storing any hazardous materials on site for any length of time. Any hazardous materials used will be located on equipment operator trucks that leave the site daily. Mantle will follow all applicable laws in accordance with hazardous materials storage, shipping, and disposal. Hazardous materials requiring disposal will be removed from the site in accordance with applicable laws and regulations. Storage sites will be located away from high traffic areas or areas exposed to winds or rains. Storage sites will be away from environmentally sensitive areas and a minimum of 100 meters from any watercourse or waterbody. Storage sites will have impermeable surface with a containment feature (i.e., dyke). Ensure good maintenance practices on machinery used during operations. If leaks are found, repairs or replacement will occur promptly. Mantle will follow applicable laws and EPA reporting requirements regarding spills. This includes following the guidelines outlined in A Guide to Release Reporting (Alberta Environment, 2000). Visual inspections of storage containers will be conducted. Drip pans or pails will be used under machinery. The onsite construction contractor will be properly trained in the use, storage, handling, and material safety of hazardous materials.

Activity	Potential Impact	Mitigation Measure
	Fuel or oil spills or leaks open water, percolate into the water table, or migrate into local waterbodies or watercourses	<ul style="list-style-type: none"> • Compliance with all environmental policies and regulations. • Ensure good maintenance practices on machinery used during operations. If leaks are found, repairs or replacement will occur promptly. • Fuelling of all equipment will be done at least 100 meters from any waterbody. The onsite construction contractor will be properly trained in the use, storage, handling, and material safety of hazardous materials.
Weed management	Introduction of prohibited noxious, noxious, or nuisance weeds	<ul style="list-style-type: none"> • Weed management and control will follow standard best management practices. • Weed inspections will occur during the growing season to assess weed establishment. • A weed management program will be implemented, if required.

6 Remediation Objectives

Remediation of the waterbody will include dewatering and recontouring the end pit lake to create various waterbody zones based on provincial guidelines. Once recontoured and graded, topsoil placement will occur in the marsh zone, riparian zone, and all upland areas. Revegetation will occur once soil placement is complete.

Interim remediation has occurred in the eroded areas along the south and southwest boundaries; materials may be used from this area during the waterbody construction, if required. Topsoil/subsoil placement will occur once wetland construction is complete, and the area will be seeded to mitigate further erosion offsite and promote vegetation establishment and soil stability.

Erosion and sedimentation control measures will be implemented during remediation activities and monitored post-reclamation as part of the monitoring and maintenance plan. These mitigation measures will be left in place until the area has been suitably revegetated and there are no concerns of erosion instability. These measures may include, but are not limited to, silt fences, sandbags, fiber socks and coarse woody debris placement. Settling ponds may also be utilized if there are periods of extreme wet conditions. Refer to *Section 11 – Remediation and Reclamation Activities* for further details. Refer to **Appendix 6 – Conceptual Reclamation Map and Conceptual Cross Sections**.

7 Remediation and Reclamation Activities

Remediation and reclamation activities will adhere to this Plan to reduce environmental impact to the surrounding landscape. Construction will start with the dewatering of the waterbody (*Section 7.1.1*); once the water source has been removed, the construction and reclamation of the waterbody will occur. Remediation and reclamation will also occur on all remaining areas that were not completed in 2022. Operations may occur concurrently at all locations. Equipment types used during implementation of this Plan:

- Excavators (backhoe)
- Dozers
- Rock trucks and/or gravel trucks
- Water pumps, generator, and hoses/piping

The proposed end land use for SML060060 is forested upland wildlife habitat with an end pit waterbody. The construction of the end pit waterbody will be designed to incorporate a deep open water zone, shallow open water, marsh plant zone, and riparian zones. Refer to **Appendix 6** – Conceptual Reclamation Map and Conceptual Cross Section for the final reclamation plan.

7.1 End Pit Waterbody and Surrounding Uplands

7.1.1 Dewatering and Water Management

Water management will be essential during implementation of this Plan. Dewatering of the waterbody will occur in summer of 2023 prior to any remedial works on the waterbody. Remediation and reclamation activities will occur during dry conditions. The grading and contouring of the waterbody will occur as soon as reasonably possible once water levels are low enough to minimize infiltration. Stormwater management and temporary erosion controls will be implemented during construction where required. In order to meet water discharge criteria, runoff and excessive water may be retained within the project area and directed into designated water holding areas to promote sedimentation of suspended soil particles.

In June 2022 prior to dewatering, Mantle installed a water level monitoring well in the west wetland with a levellogger and barologger to record water level fluctuation and changes in atmospheric pressure and temperature, respectively. Should impacts to this wetland arise, water will be diverted directly into this wetland as identified in the approved Remedial Plan. Any change in diversion location will be presented to EPA for EO approval. An amendment was approved by EPA in 2022 to continue to use the discharge zones even though water was observed to eventually reach the Amisk Lake. Multiple water samples were taken in the waterbody and discharge locations and results were all within acceptable limits. Discharge continued with the approval of EPA with the condition that weekly sampling was to occur prior to draining in to the Amisk Lake. Refer to **Appendix 7** (EPO/EO Progress Update Report) for further information.

Dewatering in 2022 occurred from August 24 to October 19. This was significantly more time than initially anticipated due to precipitation events, seasonal fluctuations, springs feeding the waterbody, and the actual depth of the waterbody at the time of dewatering. Dewatering volume is estimated at 37,480 m³ based on current pit design and historical water levels. Although calculations estimate the waterbody to dewater in approximately 4 days using one 6-inch pumps, it is most likely that it will take longer due to environmental conditions and varying pump rates. As performed in 2022, water will be pumped out of the waterbody into the adjacent forested stand (**Appendix 5**) prior to remediation of the waterbody. This will be conducted using 1 pump running for 24 hours a day for an 8-day period at a rate of approximately 1761 US gallons per minute (400 m³/hr). The calculation below shows that this will be sufficient to dewater the estimated volume of the waterbody: (400 m³/hr x 24 hr/day x 4 days) = 38,400 m³. The discharge hose will be placed in a location where there will not be any erosion or damage to vegetation. Pump discharges will be equipped with a diffuser to reduce the potential for erosion. Fabric or poly sheeting and/or silt bags may be placed at the output if scouring becomes an issue. Discharge will be initially inspected every few hours when pumps are in operation to ensure that erosion or damage to vegetation is not taking place. Frequency of inspections may

be reduced to a minimum of once per day, depending on the stability of the discharge area. Frequency of inspections may be increased to more than hourly in the presence of erosion-related concerns. Turbidity monitoring will occur during dewatering, and samples will be visually checked for the presence of hydrocarbons. Results will be compared to the Environmental Quality Guidelines for Alberta Surface Water (ESRD, 2014). If contaminants are identified, additional environmental mitigation will be implemented. Once the waterbody has been dewatered enough to re-grade the edges, the waterbody will be remediated and reclaimed as soon as reasonably possible as outlined in *Section 7 – Remediation and Reclamation Activities*. Refer to *Section 5* for erosion and sedimentation control measures.

7.1.2 End Pit Waterbody Design

Key design characteristics of the end pit waterbody, identified in **Table 9**, follow parameters outlined in the General Design Guidelines for a Constructed ‘Habitat’ Wetland-Boreal Forest Natural Region of Alberta (Design Guidelines; Green Plant Ltd., 2014) and the Alberta Guide to Wetland Construction in Stormwater Management Facilities (CSMF; Government of Alberta, 2018). The waterbody design will include characteristics listed below.

- Salvaged soil, overburden, and reject material will be used to construct the required landscape features.
- Site drainage should be constructed to direct surface runoff to the waterbody.
- Irregular shorelines and areas of emergent vegetation will be constructed to provide nesting and staging areas for waterfowl and shorebirds and add to species diversity in the area.
- The marsh plant zone will be constructed to incorporate water table fluctuations and to increase plant diversity, habitat heterogeneity, and aquatic processes via planting from local donor sites and natural dispersal (native species such as sedges, grasses, bulrushes, cattails, and willows).
- Riparian areas and upland areas will be vegetated appropriately to control erosion and intercept sediments and nutrients.
- The riparian zone is considered the interface of the aquatic and terrestrial, where vegetation is influenced by seasonal variations and can include a wide range of vegetation associated with both wetlands and uplands.
- The current waterbody features will be implemented into the final reclamation design.

Table 9: Water body design characteristics

Waterbody Characteristic	End Pit Waterbody
Water Body Surface Area (ha)	1.6
Max Normal Water Depth (m)	5.5
Waterbody Floor Elevation (masl)	618
Normal Water Elevation (masl)	623.5

The shallow open water zone and marsh plant zone are described as the fringe areas of the open waterbody where solar radiation can reach the bottom of the waterbody. This area is subject to fluctuating temperatures and varying water levels. These zones are important for ecological productivity as fluctuations in the water levels can provide suitable conditions for vegetation establishment. The upland area surrounding the end pit open waterbody will be developed to a slope no steeper than 3:1. Wetland zones have been designed to water depths as per **Figure 2**. See **Appendix 6 - Conceptual Reclamation Maps and Conceptual Cross Sections**.

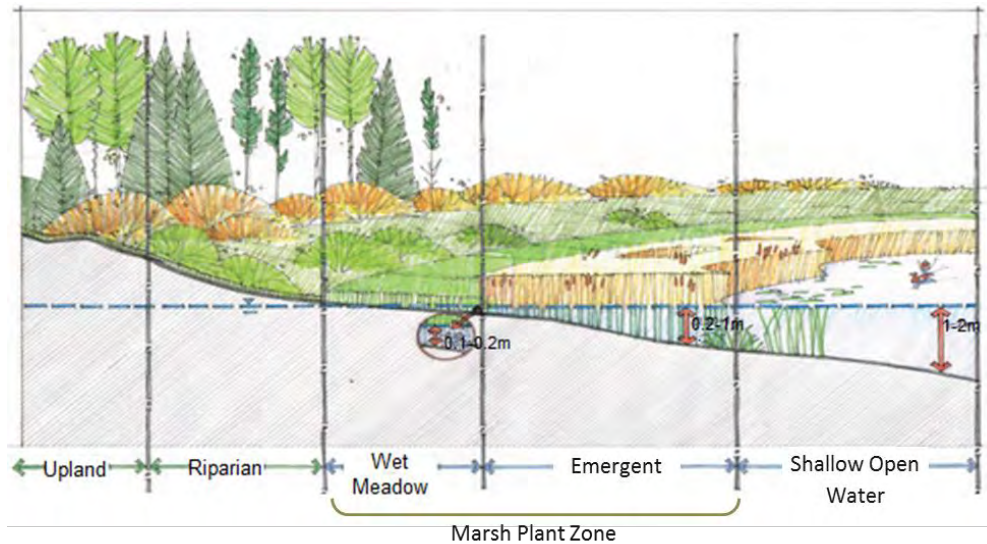


Figure 2: Littoral, shallow, and deep-water wetland zones (CEMA, 2014)

7.1.3 Grading and Contouring

The waterbody zones will be graded as per guidelines outlined in *Section 7.1.4*. The surrounding operating area will be graded and re-contoured to achieve patterns of natural drainage from southeast to northwest based on pre-disturbance conditions. Reject material and overburden will be used to meet the sloping requirements and to create irregularities in the reclaimed topography. Irregularities will give the reclaimed landform a more natural appearance and will create variety of macro and micro ecosites necessary for vegetation establishment. Refer to **Appendix 6** – Conceptual Reclamation Map.

7.1.4 Wetland Construction

The groundwater elevations are based on the pre-remediation activities in 2021 and the 2015 SML780151 test hole data; refer to *Section 2.6.1* for more information. The target grading and contouring values for the reclaimed waterbody are detailed in **Table 10** and are guided by the SCMF; the target depths for each zone are summarized in **Table 11**.

Table 10: Targeted waterbody slopes

Transition Area	Targeted Slope	Conceptual Elevations (masl)	Notes
Deep Open Water Zone / Shallow Open Water Zone	3:1 to 4:1	618 – 623	This area is from the waterbody floor to the beginning of the marsh plant zone. May be constructed to a gentler slope if adequate reclamation material is present.

Transition Area	Targeted Slope	Conceptual Elevations (masl)	Notes
Marsh Plant Zone	10:1	623 - 624	This zone is to be constructed to encourage growth of diverse aquatic vegetation. Gentle slopes were used where adequate reclamation material is present.
Riparian Zone	5:1 to 7:1	624 - 625	May be constructed to a gentler slope (up to 10:1) if adequate reclamation material is present.
Uplands	3:1	625+	Assists in directing surface runoff into waterbody wetland. Reduce wind and wave erosion. May be constructed to a gentler slope (5:1) if adequate reclamation material is present.

Table 11: Target water depth for reclaimed waterbody

Transition Area	Targeted Water Depth
Deep Water Zone	Greater than 2 m
Shallow Water Zone	1 - 2 m
Marsh Plant Zone	Less than 1 m

The waterbody design for SML060060 was incorporated into the current waterbody shape and location. As per the CSMF, the Shoreline Development Index (SDI) for a reclaimed wetland should be above 1.2. The SDI for the waterbody is 1.2 based on the open water characteristics. We do not anticipate changing the shape of the shoreline significantly since it already has a natural appearance.

7.1.5 Soil Stripping

Areas required for remediation under the 2021 Remedial Plan, including operational areas, were stripped in August 2022. Stripped materials were stockpiled and will be used during final reclamation. A minimum of 5 cm was stripped based on the approved Remedial Plan. As stated elsewhere in this document, this 5 cm does not represent topsoil depth throughout the SML. Techniques such as direct placement, pushing short distances (versus moving and stockpiling), and working under frost free conditions were used to mitigate further loss of topsoil during remediation and reclamation activities. Refer to **Appendix 5** for stockpile locations.

7.1.6 Soil Placement

7.1.6.1 Wetland Soils

Since the end pit lake will be influenced by groundwater recharge and/or subsurface seepage, and since these zones are not targeted for plant growth, the floor of the deep-water zone and shallow open water zone will be left as-is (i.e., sand, gravel, clay, shale) to allow for water level fluctuation. No topsoil will be placed in the open water zones (>1.0 m depth). The marsh plant zone and riparian zone will include a minimum of 5 cm of topsoil as a growth medium for vegetation diversity. If available, woody debris will be incorporated along the shoreline to provide additional organics and habitat development opportunities.

7.1.6.2 Upland Soils

Salvaged topsoil and subsoil will be placed on top of the final grade and distributed over the surface. All layers will be left rough to create microsites, increasing the opportunities for seed catch and moisture retention and vegetation establishment. Equipment operators will be aware of soil compaction issues; best management practices include loading from the base of the soil stockpiles and only conducting soil replacement during dry, non-frozen conditions. If soil compaction is identified during replacement, then the soil layer will be de-compacted using a subsoiler or ripper dozer.

Topsoil includes current available stockpiles within the SML and topsoil recovered from the northeast area during 2022 remediation operations (refer to **Appendix 3** for stockpile locations and **Appendix 7** for 2022 remediation findings). Onsite organic soil stockpiles will be used as soil amendments. This includes mixing the organics with the available topsoil, thereby increasing the volume of reclamation materials. Organics that have settled along the waterbody shoreline will be salvaged and used in reclamation operations. Since pre-disturbance depths are not recorded, replacement depths within the SML have been determined based on the current estimated volume of stockpiles available for reclamation. It is important to note that based on the CRBP and field observations of the topsoil and subsoil stockpiles, the materials were salvaged in one lift and stockpiled together. Therefore, the current reclamation stockpiles available consist of both topsoil and subsoil. The stockpiles will be used for soil placement in all currently disturbed and eroded areas.

Based on the estimated stockpile volumes on site, soil placement depths within the disturbed areas in the SML will meet or exceed an average minimum of 10 cm for topsoil/subsoil within the reclamation area (**Table 12**). Refer to **Appendix 5** for the current stockpile locations.

Table 12: Calculated soils materials balance based on current stockpiles

Area (ha) Requiring Topsoil Replacement	Estimated Stockpile Volumes (m ³)	Minimum Soil Replacement Depth (cm)
10.77	12,000	10

7.1.7 Revegetation

Processes will be implemented to ensure vegetation establishment following soil replacement on the site. Any issues with weeds will be addressed as required. The preferred method of vegetation establishment is natural recolonization with local plant species; this would normally include inoculation of the marsh plant zone with salvaged wetland soils that contain seeds (Alberta Government, 2014). Recolonization of local species will occur from the marsh northwest of the site. A list of preferred species is available in the Alberta Guide to Wetland Construction in Stormwater Management Facilities (Table 7, Government of Alberta, 2018). Revegetation will be regularly monitored to ensure suitable progress and will be considered satisfactory if native plant species are establishing and the presence of inhibitors such as noxious weeds are limited. If regular monitoring of the revegetation status indicates that assisted natural recovery is required, further treatments will occur.

7.1.7.1 Riparian Zone

Planting of native shrubs such as willow (*Salix spp.*) and red osier dogwood (*Cornus sericea*) in the riparian zones will provide browse for terrestrial wildlife, nesting and foraging sites, and initiate soil stabilization and revegetation. A diversity of three or more species is preferable (Government of Alberta, 2018). Shrubs should be planted within the riparian zone at a density of 1-2 stems/m² and will be harvested from local sites.

7.1.7.2 Marsh Plant Zone

Revegetation of the wetland will focus on the Wet Meadow Zone (± 0.5 m in relation to the water table) of the Marsh Plant Zone. The Emergent Plant Zone and Shallow Open Water Zone plants are expected to come in on their own through natural ingress. The Wet Meadow Zone will be seeded and/or planted with species,

primarily sedge species (*Carex spp.*), harvested from local wetlands. Plants and roots/rhizomes will be placed in holes dug in the mud and tamped in to ensure good soil contact.

7.1.7.3 Upland Habitat

Re-establishment of tree, shrub, and herbaceous species will occur primarily through natural ingression of native species with planting and seeding of native species occurring as required. The surrounding upland forest and the replaced topsoil provide good sources of native species by acting as natural seed banks. The natural seed bank will help facilitate the ingress of native plants that are common in the surrounding area but may not be readily commercially available for reclamation. Based on the site assessment, the natural seed bank onsite contains seed species such as:

- **Trees:** trembling aspen (*Populus tremuloides*), white spruce (*Picea glauca*), black spruce (*Picea mariana*), paper birch (*Betula papyrifera*)
- **Shrubs:** prickly rose (*Rosa acicularis*), Labrador tea (*Rhododendron groenlandicum*), twinflower (*Linnaea borealis*), bog cranberry (*Vaccinium vitis-idaea*), willow (*Salix spp.*), beaked hazelnut (*Corylus cornuta*), wild red raspberry (*Rubus idaeus*), red osier dogwood (*Cornus sericea*), low-bush cranberry (*Viburnum edule*), common snowberry (*Symphoricarpos albus*), twining honeysuckle (*Lonicera dioica*), currants (*Ribes spp.*)
- **Ground cover:** bunchberry (*Cornus canadensis*), wild strawberry (*Fragaria virginiana*), bishop's cap (*Mitella nuda*), ground pine (*Dendrolycopodium obscurum*), horsetail (*Equisetum spp.*), common yarrow (*Achillea millefolium*), peavine (*Lathyrus spp.*), dandelion (*Taraxacum officinale*), clover (*Trifolium spp.*), grass species
- **Mosses and Lichens:** stair-step moss (*Hylocomium splendens*), Schreber's big red stem moss (*Pleurozium schreberi*), Knight's plume moss (*Ptilium crista-castrensis*)

Revegetation will be monitored to ensure suitable progress following soil replacement on site. Revegetation will be considered satisfactory if native plant species are establishing, seedlings appear healthy, and the presence of inhibitors such as noxious weeds are limited. If regular monitoring of the revegetation status indicates that assisted natural recovery is required, the site will be seeded with Canada No. 1 certified weed free seed. EPA approved a seed mix for the revegetation of SML060060 in October 2021. This seed mix is comprised of the following species:

- 20% Fringed Brome
- 30% Awned Wheatgrass
- 20% Northern Wheatgrass
- 30% Canada Wildrye

Planting will follow the Alberta Forest Genetic Resource Management and Conservations Standards (Government of Canada, 2016). Refer to *Section 8 – Monitoring and Maintenance*. Any issues with weeds will be addressed as per the *Weed Control Act*. Weed inspections will occur as part of the post-reclamation monitoring. A pre-discussion meeting with the local FPT Lands Officer will occur should amendments or changes to the reclamation plan be deemed necessary. Communications with the FPT Lands Officer is meant to determine if the changes to the reclamation plan are acceptable within regulatory frameworks and to determine if formal authorizations will be required. Such changes to the reclamation plan may be required due to unforeseen issues such as pathogen or insect infection at the time of reclamation requiring changes to revegetation strategies.

7.2 Erosion and Sedimentation Area (South and Southwest Boundaries)

7.2.1 Topsoil Stripping

Topsoil was stripped and stockpiled in 2022 based on operations identified in the approved Remedial Plan and interim remediation of the south and southwest area was completed; materials from this area may be used during the waterbody construction. Handling of reclamation materials will be minimized during remediation and reclamation operations. This will help reduce soil losses due to handling. Refer to **Appendix 3** – Site Conditions Map and **Appendix 5** - Proposed Operations Map.

7.2.2 Grading and Contouring

The south and southwest boundary was re-graded during 2022 remediation operations to a slope of 4:1 (rise:run) to mitigate further erosion. Additional grading may be required if materials from this area are used for the waterbody construction. Topsoil placement and seeding during reclamation will allow for revegetation of native species. Refer to **Appendix 6** – Conceptual Reclamation Map for the recontoured grades.

7.2.3 Topsoil Placement

Final reclamation along the south and southwest boundary, including topsoil placement and seeding, will occur once the waterbody is constructed and final grading on the slope is complete. Soils salvaged from the area will be replaced. Additional soils recovered from the 2022 operations may also be used to meet the targeted soil cover thickness. Based on currently available stockpiles on site, the proposed soil replacement depth is 10 cm. Soil stockpiles have well established natural vegetation and are expected to provide abundant natural revegetation. Any woody debris available on site will be placed on the steepest portions of the replaced soils to mitigate erosion and increase microtopography. Refer to **Appendix 5** for the soil replacement locations

7.2.4 Revegetation

Herbaceous species, forbs, and shrubs are expected to establish naturally.

7.3 Operational Constraints

Operations may experience delays due to poor weather. To mitigate soil degradation and soil loss, earthworks will not occur during adverse conditions.

7.3.1 Shut down of Operations/ Stop Work

Shutdown operations will occur when any environmental or field conditions, or construction methods could possibly result in the loss or degradation of topsoil or subsoil or could cause other unmitigated environmental impacts (ex: damage to existing wetlands). Voluntary shut down of activity will be implemented as outlined in the Voluntary Shut down Criteria for Construction Activity or Operations (Government of Alberta, 1998). Once conditions are determined to be safe, operations will resume.

8 Monitoring and Maintenance

Within 2 weeks prior to dewatering, a water sample from the waterbody will be collected and tested for suspended solids, routine water quality, and dissolved metals to assess potential offsite impacts. Results will

be submitted to EPA. Turbidity monitoring will occur throughout the dewatering process to ensure sediment levels stay within the Environmental Quality Guidelines for Alberta Surface Water (ESRD, 2014).

The discharge area will be monitored for signs of erosion. If erosion is observed as a result of dewatering activities, mitigation measures will be implemented as recommended by the environmental monitor. Potential mitigation techniques include idling down or stopping pumps and installing additional erosion and sedimentation control materials (e.g., sediment fencing, fibre rolls and matting) at locations deemed appropriate by the monitor. Surplus erosion and sedimentation control materials will be readily available onsite to expedite response time in case any impacts are observed. Mitigation may be implemented within SML060060 and any area within the TFA permitted area outside of the SML060060 boundary in the area of dispersion.

Once the remedial plan has been fully implemented, a six-month monitoring and maintenance program will commence in October 2023. Annual inspections will occur to identify and mitigate concerns (e.g., erosion, weeds). Mantle will apply an Implement – Monitor – Adapt approach to monitor the site. If concerns are identified during the inspections, appropriate mitigation measures will be implemented to eliminate and reduce the potential for reoccurrence as suggested by the environmental monitor. Within three years of reclamation, an assessment will be completed to ensure that the site will meet reclamation requirements. Revegetation will be considered satisfactory if native plant species are establishing and if re-vegetation will meet the proposed end land-use objectives. If after three years the site is not identified as meeting the objectives, the proponent will consult with EPA/FPT representatives on how to appropriately meet the goals and objectives of the reclamation.

9 Schedule of Activities

Table 13: Project activities and proposed schedule

Activity	Description	References	Start Date	End Date	Status as of Jan 2023
Remediation	Remediation of ditches in north, interim remediation of southwest erosion, and recontouring in northeast.	June 2021 Remedial Plan Sections: 9 / 10 / 11 / 12	August 2022	October 2022	Complete
Remediation	Dewatering of waterbody	January 2023 Remedial Plan Sections: 7.1.1 / 8	July 1, 2023	July 31, 2023	Incomplete
Remediation	Construction of waterbody	January 2023 Remedial Plan Sections: 7.1	August 1, 2023	September 30, 2023	Incomplete
Remediation	Remediation of south / southwest boundary – Recontouring, final topsoil placement, seeding	January 2023 Remedial Plan Sections: 7.2	August 1, 2023	September 30, 2023	In process

Activity	Description	References	Start Date	End Date	Status as of Jan 2023
Reclamation	Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement, seeding	January 2023 Remedial Plan Sections: 7	August 1, 2023	September 30, 2023	In process
Monitoring	Begin six-month EPO/EO monitoring program.	January 2023 Remedial Plan Section: 8	October 1, 2023	March 31, 2024	Not started
Growing Season 1 Assessment	Assess completed reclamation for soil stability, vegetation success, weeds.	Remaining liabilities managed through regulatory compliance of Surface Material Lease (SML).	Summer 2024	August 15, 2024	Not started
Growing Season 2 Assessment	Assess completed reclamation for soil stability, vegetation success, weeds.	Remaining liabilities managed through regulatory compliance of Surface Material Lease (SML)	Summer 2025	August 15, 2025	Not started
Permitting	Reclamation certificate application	Remaining liabilities managed through regulatory compliance of Surface Material Lease (SML).	September 1, 2025	September 15, 2025	Not started

10 Future Operations

This Plan has been developed to address the EO and EPO requirements. At the time of writing there have been ongoing discussions with EPA and FPT regarding future operations either under Mantle directly or under an approved agreement with a third party. The intention of Mantle is to satisfy the EO and EPO requirements and at the same time work towards operating the remaining aggregate resource in a way that is agreeable to EPA and FPT through the typical regulatory process outside of the EO and EPO process.

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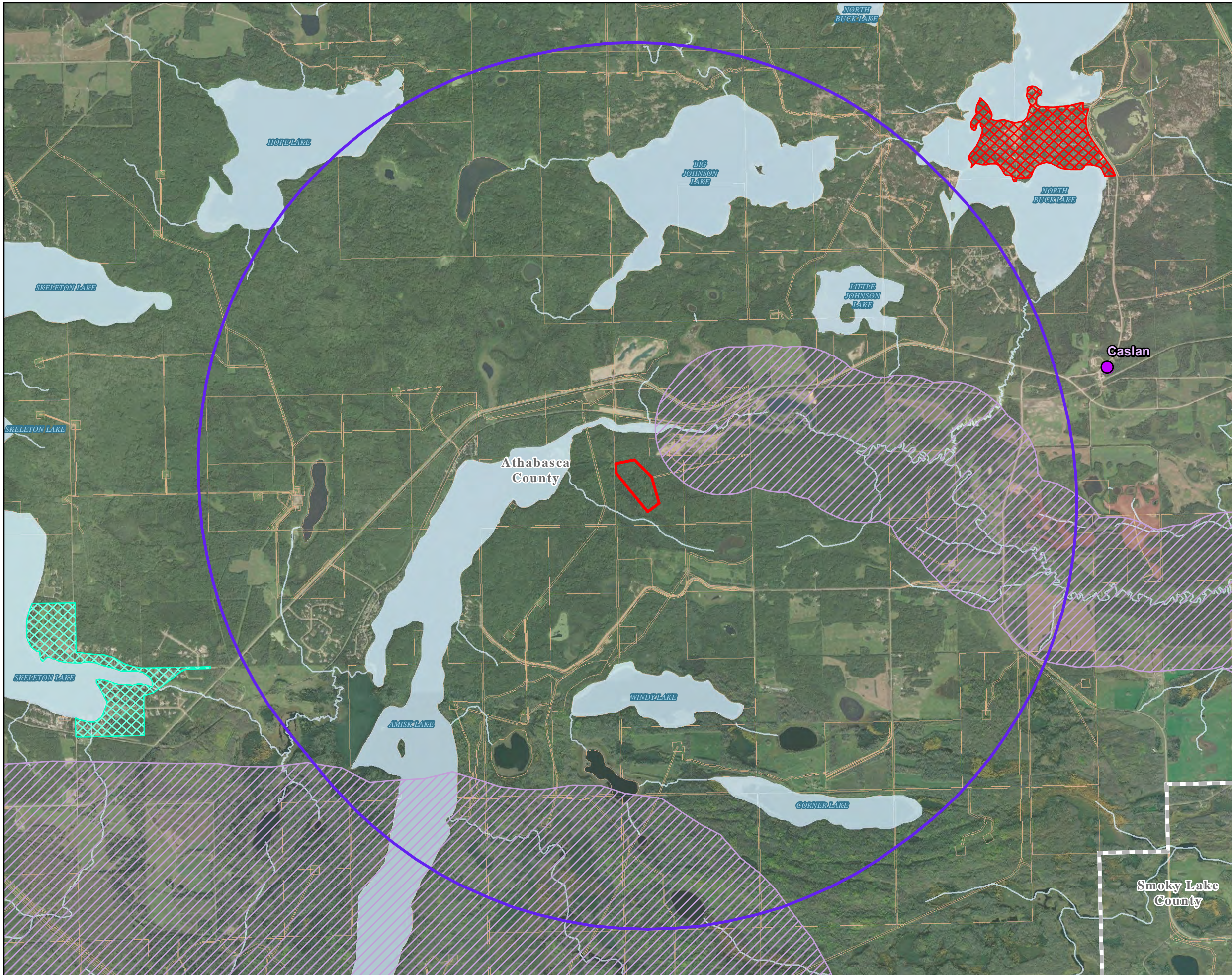
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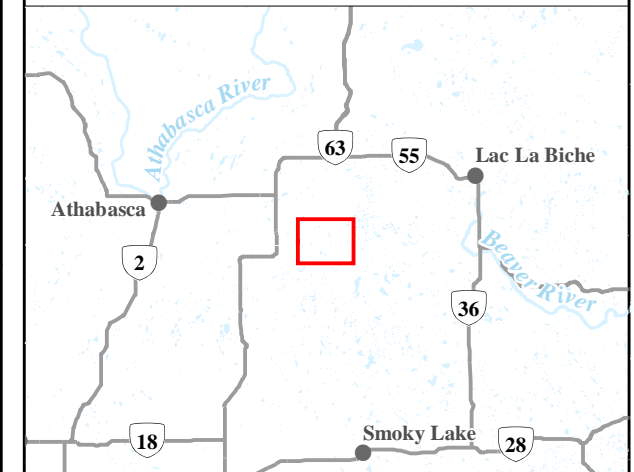
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12 Appendices

Appendix 1 – Overview Map



-  Hamlet/Village/Town
-  Watercourse
-  Waterbody
-  SML060060
-  SML060060 Buffer (5 km)
-  Disposition
-  Municipal Boundary
-  Key Wildlife and Biodiversity Zone
-  Residential Area
-  Provincial Recreation Area



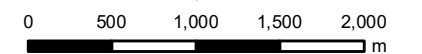
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Imagery Acquisition Date: Aug 6, 2014

Coordinate System: NAD 1983 3TM 114



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Date: January 22, 2023

Prepared by: T. Kjolrien



Appendix 2 – Imagery Map



SML060060
EO-WA-35659-01

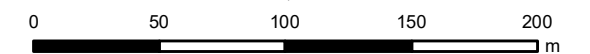
Appendix 2
Imagery

-  Watercourse
-  Wetland
-  SML060060 (16.74 ha / 41.37 ac)
-  Disposition
-  Legal Land Description

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Altalis and Maxar
Imagery Acquisition Date: 2014 - 2022
Coordinate System: NAD 1983 3TM 114



1:3,000



Date: January 22, 2023
Prepared by: T. Kjolien



Appendix 3 – Current Site Conditions Map



SML060060
EO-WA-35659-01

Appendix 3
Site Conditions

-  Plot Location
-  Watercourse
-  Wetland
-  Waterbody
-  Stockpile
-  Ditch Remediation
-  Erosion Remediation
-  Fully Recontoured Area
-  Area Worked in 2022
-  Disturbance Footprint
-  SML060060
-  Legal Land Description

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and Maxar
Imagery Acquisition Date: 2014 - 2022
Coordinate System: NAD 1983 3TM 114



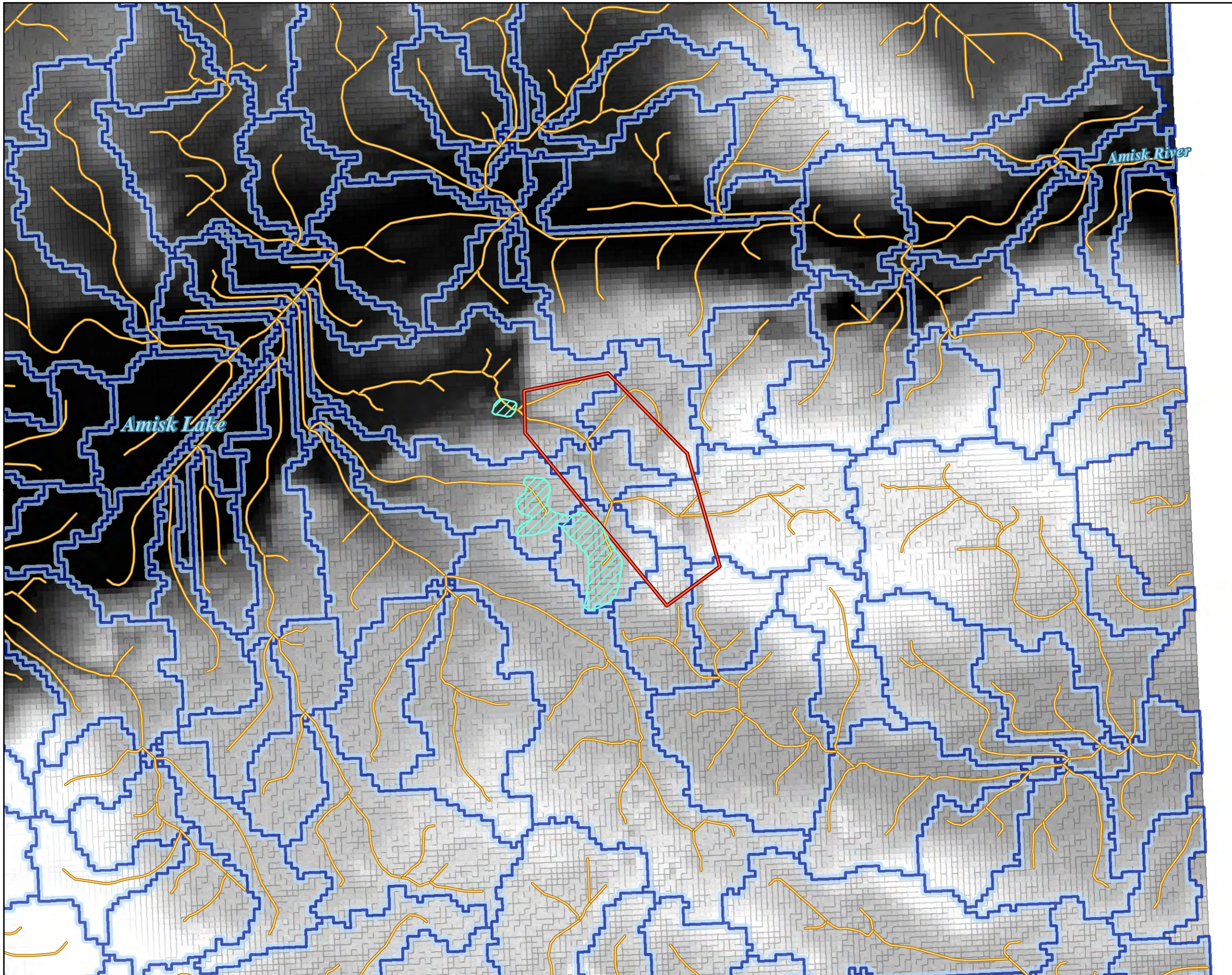
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Date: January 22, 2023
Prepared by: T. Kjolien



Appendix 4 – Watershed and Drainage Network



-  Wetland
-  Drainage Network
-  SML060060
-  Watershed

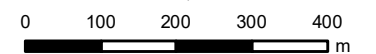
Note: Pre-Disturbance LiDAR obtained from 2008- 2009.

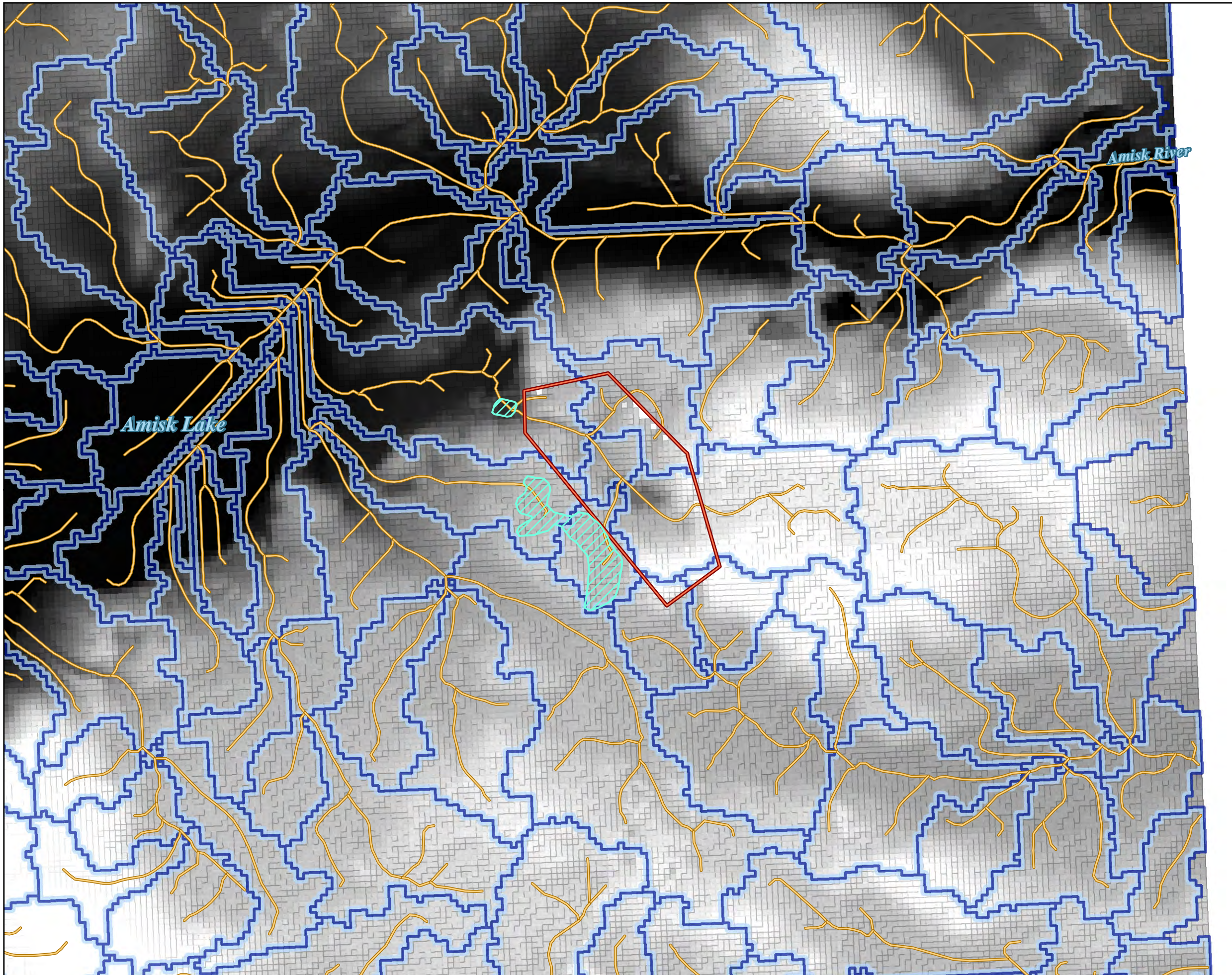
Source: Contains information licensed under the
Open Government Licences – Canada, Alberta
and Altalis

LiDAR Acquisition Date: 2008 - 2009
Coordinate System: NAD 1983 3TM 114







1:10,000





SML060060
EO-WA-35659-01

Appendix 4
Post-Reclamation Watershed
and Drainage Network

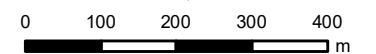
-  Wetland
-  Drainage Network
-  SML060060
-  Watershed

Note: LiDAR used outside of the SML is from 2008- 2009. Post-reclamation elevation profile is modelled using drone elevation data captured on November 6, 2022.

Source: Contains information licensed under the Open Government Licences – Canada, Alberta and Altalis
LiDAR Acquisition Date: 2008 - 2009
Drone Elevation Data Acquisition Date: Nov. 6, 2022
Coordinate System: NAD 1983 3TM 114



1:10,000



Date: January 23, 2023
Prepared by: T. Kjolien



Appendix 5 – Proposed Operations Map

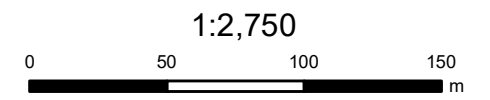


SML060060
EO-WA-35659-01

Appendix 5
Proposed Operations

- Area to be Recontoured into End Pit Waterbody
- Partially Reclaimed Ditch Requiring Seeding
- Fully Recontoured Area Ready for Soils Placement and Seeding
- Partially Recontoured Area Requiring Grading, Soils Placement, and Seeding
- Stockpile (to be removed)
- SML060060
- Wetland
- Dewatering Discharge Zone
- Legal Land Description
- Watercourse

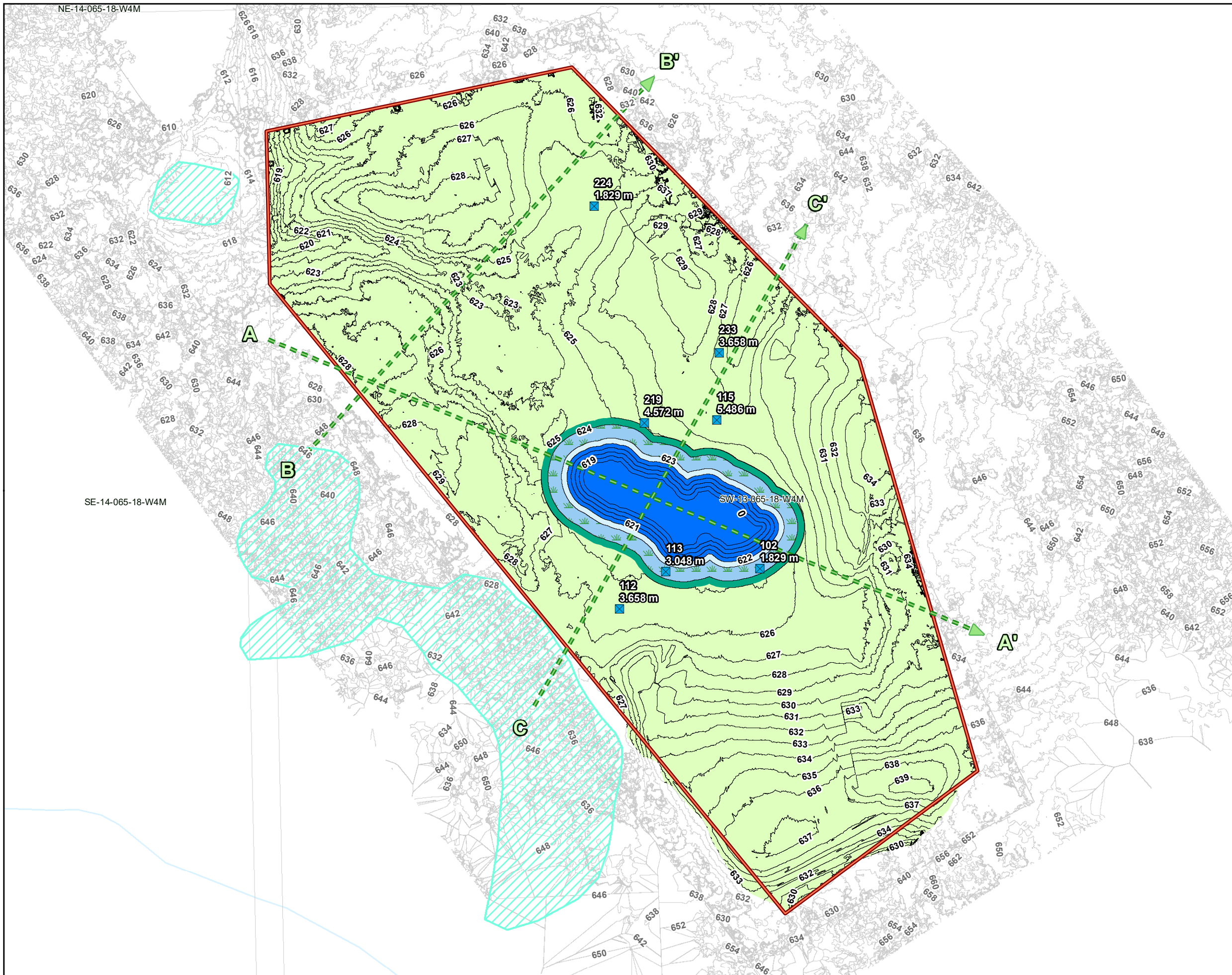
Source: Contains information licensed under the Open Government Licences – Canada, Alberta and Maxar
 Imagery Acquisition Date: 2014 - 2022
 Coordinate System: NAD 1983 3TM 114



Date: January 23, 2023
 Prepared by: T. Kjorlien



Appendix 6 - Conceptual Reclamation Map and Conceptual Cross Sections



SML060060
EO-WA-35659-01

Appendix 6
Conceptual Reclamation Cross Sections

- Test Hole (Water Table Depth)
- Reclaimed Upland
- Open Water Zone (3:1 Slope)
- Shallow Open Water Zone (4:1 Slope)
- Marsh Plant Zone (10:1 Slope)
- Riparian Zone (5:1 Slope)
- SML060060 (16.74 ha / 41.37 ac)
- Wetland
- Watercourse
- Reclamation Contour (1 m)
- Full Feature Contour (1 m)
- Legal Land Description

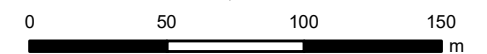
Note 1: Test data from March 2010 CRBP (revised April 2012) and approved May 28, 2014, completed by VM Torstensen. Mantle Materials Group Ltd and CPP Environmental Corp do not assume responsibility and have not confirmed the accuracy of the data provided.

Note 2: Contours in undisturbed areas and outside of the SML060060 boundary are created from DSM, thus the contour lines do not represent bare earth topography.

Source: Contains information licensed under the Open Government Licences – Canada and Alberta
 Drone Elevation Data Acquisition Date: November 2022
 Coordinate System: NAD 1983 3TM 114



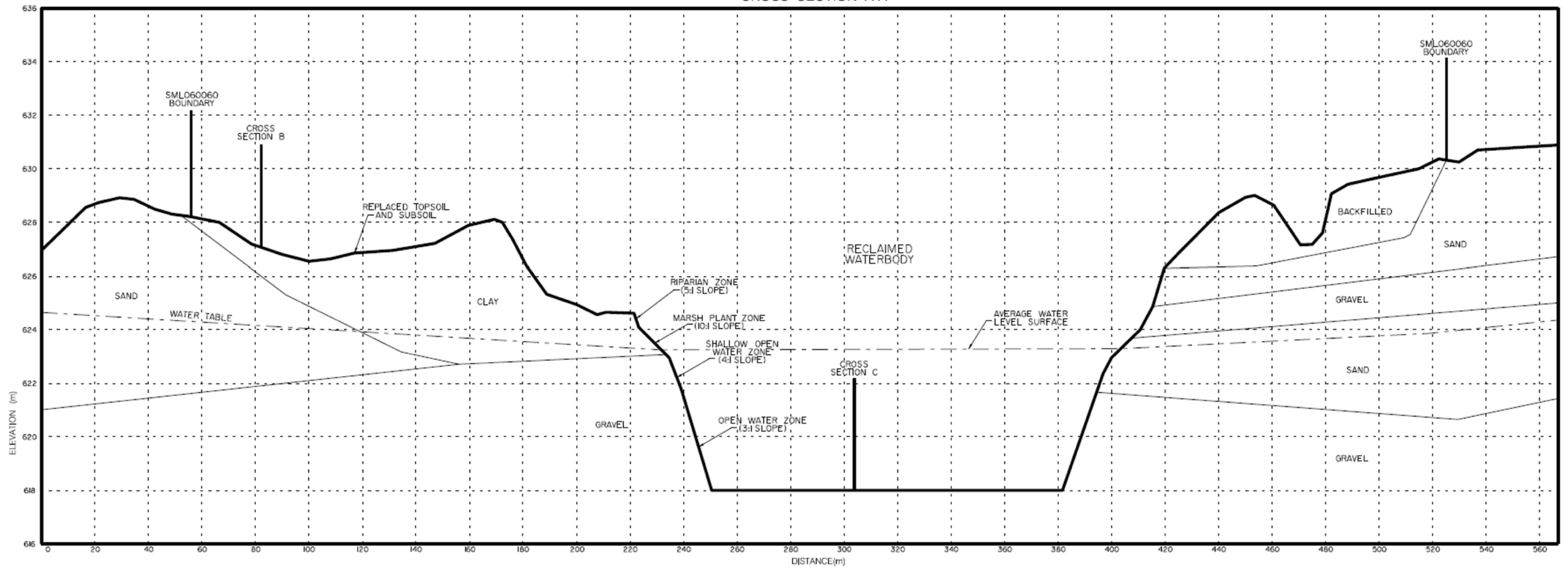
1:2,750



Date: January 23, 2023
 Prepared by: T. Kjolien

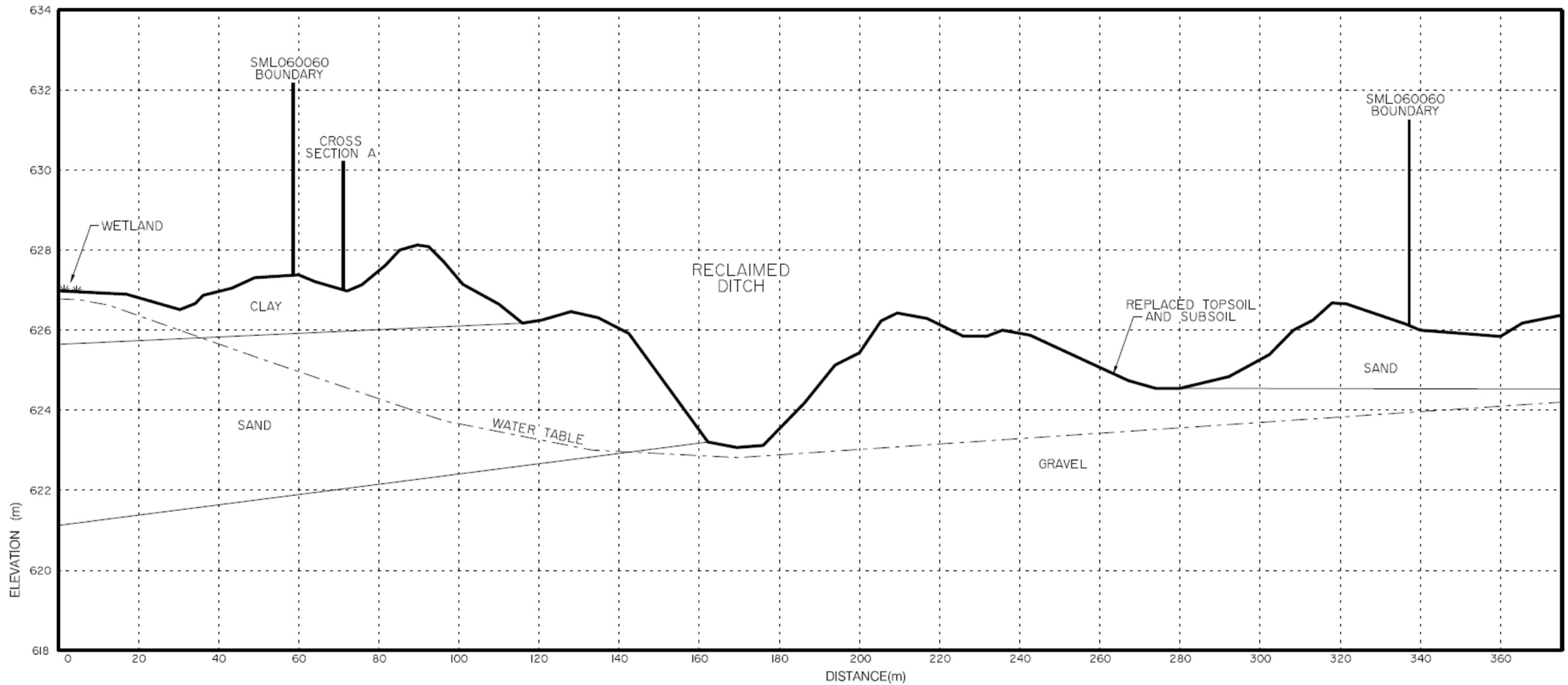


CROSS SECTION A-A'



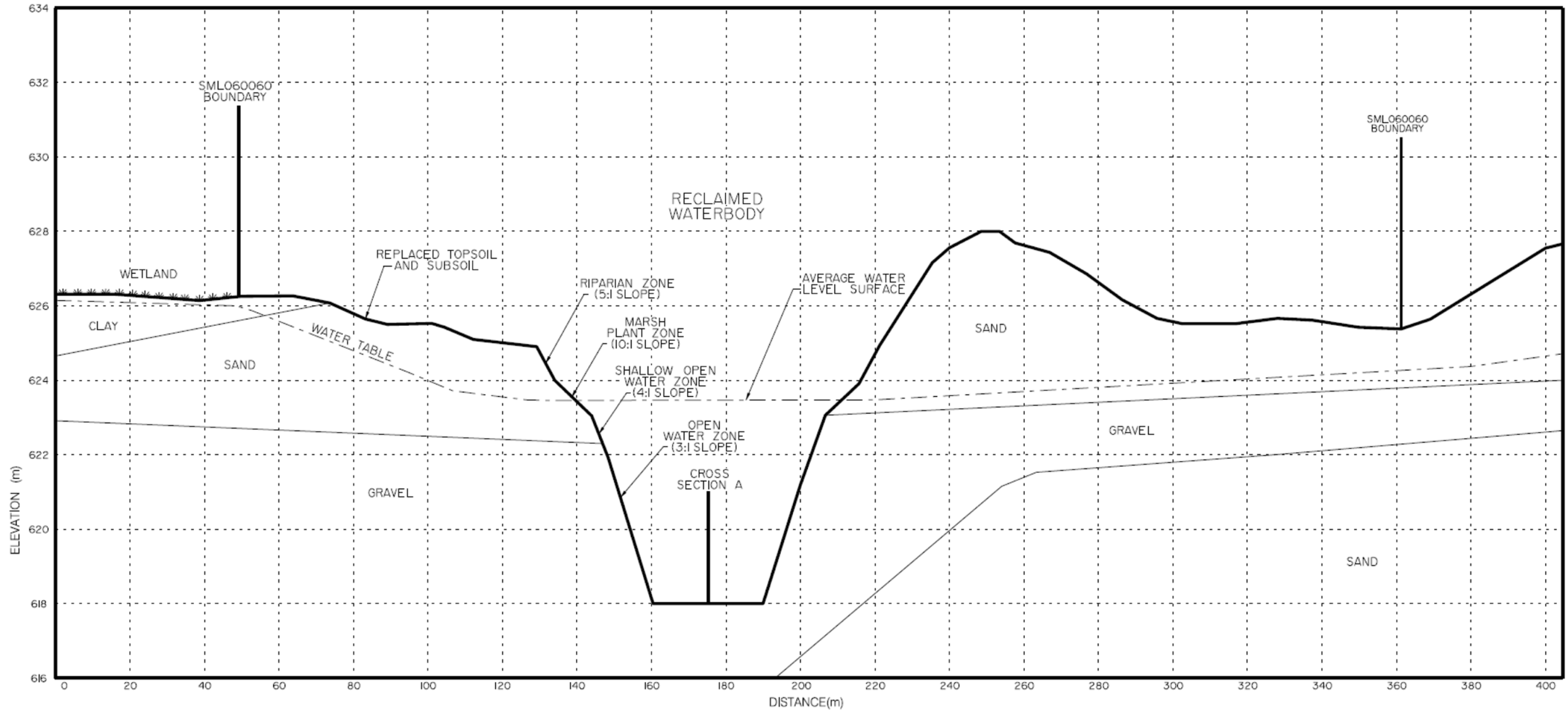
Vertical Scale - 1:200
Horizontal Scale - 1:2000

CROSS SECTION B-B'



Vertical Scale - 1:200
Horizontal Scale - 1:2000

CROSS SECTION C-C'



Vertical Scale - 1:200
Horizontal Scale - 1:2000

Appendix 7 - Enforcement Order / Environmental Protection Order Correspondence Documentation

Inv. No. 35659

February 23, 2021

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

Attention: Mr. Tyler Pell
Aggregate Resource Manager

NOTICE OF NON-COMPLIANCE

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

Public Lands Act

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

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

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

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

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

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

the disposition is guilty of an offence.”

Public Lands Administration Regulation

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

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

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

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

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

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

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

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

Water Act

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

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

Written Plan to Resolve Non-Compliance

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

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

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

Respectfully,



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

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

February 26, 2021

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

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

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

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

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

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

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

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

Assessment

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

Plans to address issues and bring pit into compliance

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

Written Plan Information

SML 060060

Assessment of Pit

- Non-compliance: Water Act (unauthorized water body)
- The creation of a water body was not authorized under the Water Act or presented in the Conservation and Reclamation Business Plan (CRBP).
- The construction of the water body and all other disturbances existed before 216 was assigned SML 060060 in March 2019.
- JLG Ball Enterprises is believed to be the operator of the pit prior to March 2019.
- 216 has not operated in the water body since being assigned the disposition.
- 216's operations since March 2019 have not increased the overall disturbance footprint of the disposition or further disturbed areas logged 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.

Plan to bring pit into compliance

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

Timeline

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

Scheduling factors

- Closing date of CCAA court proceedings.

Immediate Plans to operate the pit

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

If you have any questions please contact the undersigned.

Regards,



Tyler Pell

Aggregates Resource Manager

JMB Crushing Systems Inc.

tylerpell@jmbcrushing.com

1.780.815.0139

March 1st, 2021

Environmental Services Response Centre
#111 Twin Atria Building
4999-98 Avenue
Edmonton, Alberta T6B 2X3

Sent via email: erc.environment@gov.ab.ca

**Re: 7 Day Letter (Water Act)
2161889 Alberta Ltd
SML060060
SW 13-65-18-W4M**

This letter is written as the 7 Day Report in response to an incident that occurred in regard to SML 060060. On March 1st, 2021 Tyler Pell, the Aggregate Resource Manager of JMB Crushing Systems Inc. (JMB), called into the 24-hour environmental hotline on behalf of 2161889 Alberta Ltd (216) to report a non-compliance related to the construction of a water body without authorization under the Water Act. The reported non-compliance was given reference # **376512**.

Description of contravention

Sometime before March 2019 a water body was constructed without authorization.

Date of contravention

Sometime before March 2019.

Legal land description of the location of the contravention

SW 13-65-18-W4M

Explanation as to why the contravention occurred

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.

Current registered landowners of the parcel on which the contravention occurred

SML 060060 is located on crown land.

Summary of all preventative measures and actions that were taken prior to the contravention

216 was not the operator or lease holder of the pit prior to the contravention.

Summary of all measures and actions that were taken to mitigate any effects of the contravention

216 has not operated in the water body since being assigned the disposition.

Summary of all measures that will be taken to address the remaining adverse effects related to the contravention

216 will work with AEP to determine final Water Act authorization requirements for filling in the constructed water body.

Update CRBP as needed.

The disposition number issued by the Department for the pit, and the name of the person who held the registration at the time the contravention occurred

At the time of the contravention Robert W Beaverford held the lease for SML 060060.

Names, addresses, phone numbers and responsibilities of all persons operating the pit at the time the contravention occurred

216 was not the operator or lease holder of the pit prior to the contravention. JLG Ball Enterprises is believed to be the operator of the pit prior to March 2019.

Names, addresses, phone numbers and responsibilities of all persons who had charge, management and control of the pit that the contravention occurred

216 was not the operator or lease holder of the pit prior to the contravention. JLG Ball Enterprises is believed to be the operator of the pit prior to March 2019.

Summary of proposed measures that will prevent future contraventions including a schedule of implementation for these measures

216 will work with AEP to determine final Water Act authorization requirements for filling in the constructed water body.

Update CRBP as needed.

A schedule for the implementation of these measures is being developed by 216 in consultation with the AEP and will be approved by the Court in the CCAA proceedings.

Any information that was maintained or recorded as a result of the incident

Communications with Nathan Polturak, Environmental Protection Officer, Alberta Environment and Parks.

Any other information required by the Director in writing

The Director had requested a written plan to resolve the non-compliance by February 26, 2021. The written plan was submitted on February 26, 2021 as requested.

Closing

If you have any questions please contact the undersigned.

Tyler Pell



Aggregates Resource Manager

JMB Crushing Systems

tylerpell@jmbcrushing.com

1.780.815.0139

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 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.
JMB Crushing Systems Inc.
1400 16th 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

Scale: 1 : 4,000

Meters 100 75 50 25 0 100 Meters

	Pit (11.271 ha)		Pipeline
	Rills and gullies		Above Ground Pipeline
	Draw		Cut Trail
	Lake		Lake - Perrenial
	Plume		Stream
	Small waterbody		SML060060
	Trespass on public land		3m buffer inside SML boundary



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 Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
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Coordinate System: NAD 1983 UTM Zone 12N
 Produced by Northeast Geospatial Unit
 Created by: ronda.conners on 3/11/2021
 Project # NE-0554-000-00
 Base Data provided by the Government of Alberta under the Alberta Open Government Licence.



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 16th Street, Suite 320
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3439 Keswick Boulevard SW
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PO Box 211
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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.
 - 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, the 12th 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

Scale: 1 : 4,000

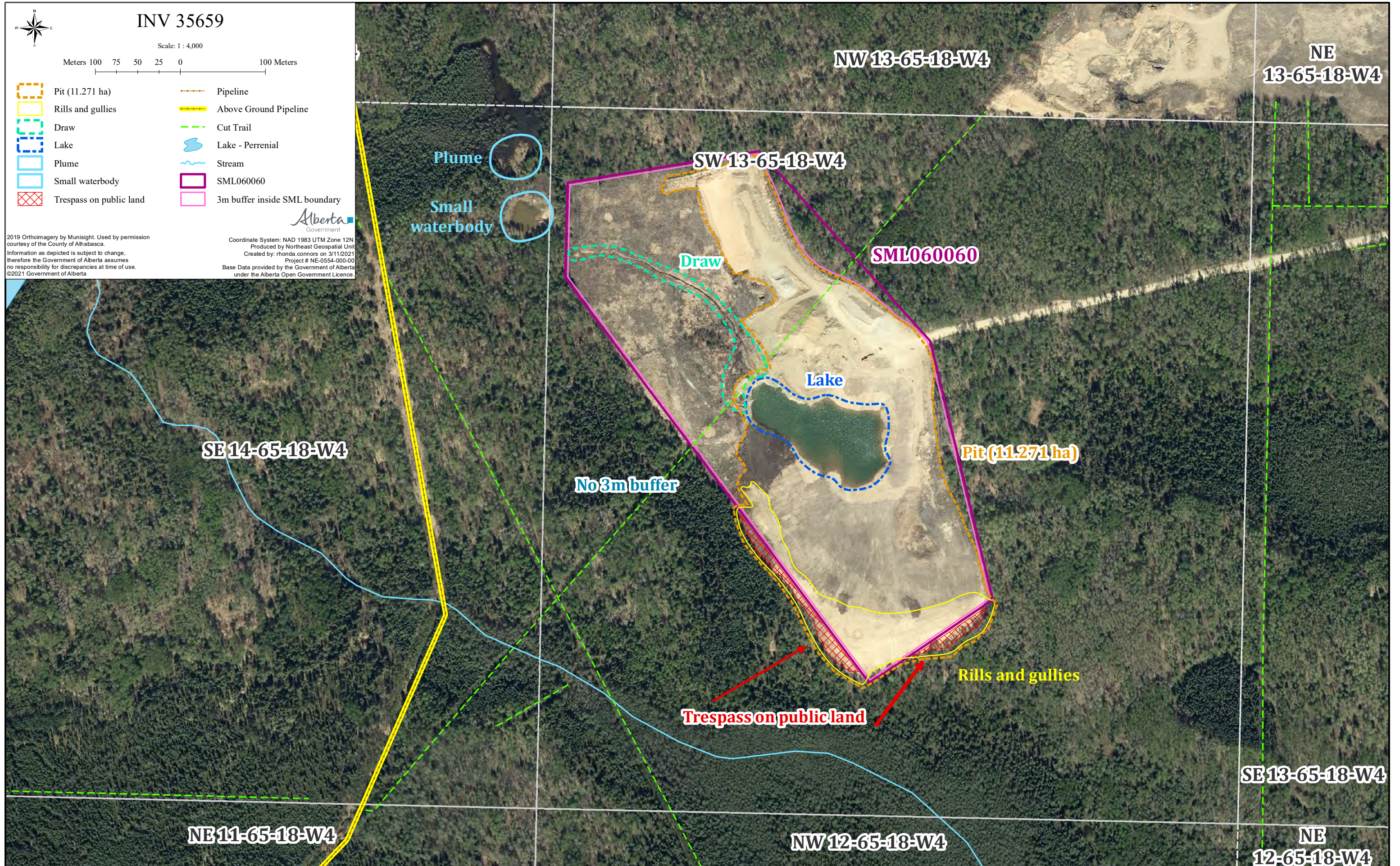
Meters 100 75 50 25 0 100 Meters

- Pit (11.271 ha)
- Rills and gullies
- Draw
- Lake
- Plume
- Small waterbody
- Trespass on public land
- Pipeline
- Above Ground Pipeline
- Cut Trail
- Lake - Perrenial
- Stream
- SML060060
- 3m buffer inside SML boundary



2019 Orthoimagery by Munisight. Used by permission courtesy of the County of Athabasca.
 Information as depicted is subject to change, therefore the Government of Alberta assumes no responsibility for discrepancies at time of use.
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Coordinate System: NAD 1983 UTM Zone 12N
 Produced by Northeast Geospatial Unit
 Created by: rmonda.conners on 3/11/2021
 Project # NE-0554-000-00
 Base Data provided by the Government of Alberta under the Alberta Open Government Licence.



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 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.
JMB Crushing Systems Inc.
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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 19th 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.

June 2, 2021

Mr. Tyler Pell, Aggregate Resource Manager
Mantle Materials Group, Ltd
tyler.pell@mantlegroup.ca

Dear Mr. Pell:

I write in response to the following amendment requests:

- On April 27, 2021, 2161889 Alberta Ltd. requested that the deadline in Clause 3 of EPO-EPEA-35659-07 (EPO) be amended from May 31, 2021 to June 14, 2021.
- On April 27, 2021, 2161889 Alberta Ltd. requested that the deadline in Clause 3 of EO-WA-35659-01 (EO) be amended from May 31, 2021 to June 14, 2021.
- On April 27, 2021, 2161889 Alberta Ltd. requested that the deadline in Clause 4(i) of the EO be amended from October 1, 2021 to September 20, 2022.

AEP understands that on May 1, 2021, 2161889 Alberta Ltd. amalgamated with JMB Crushing Systems Inc. and Mantle Materials Group, Ltd. to continue as Mantle Materials Group, Ltd.

AEP understands the request for amendments were made on behalf of 2161889 Alberta Ltd., Mantle Materials Group, Ltd., Byron Levkulich, and Aaron Patsch.

Having considered the above requests, the two unresolved preliminary motions to be determined by the Environmental Appeals Board and the June 15, 2021 mediation in the appeals of the EPO and EO I have decided not to amend the EPO or EO.

I confirm that AEP will not take steps to enforce the deadline in Clause 3 of EPO-EPEA-35659-07 and the deadline in Clause 3 of EO-WA-35659-01 against 2161889 Alberta Ltd. and Mantle Materials Group, Ltd., Byron Levkulich, and Aaron Patsch before June 21, 2021.

Cc: Tom Cumming, Partner - Gowling WLG
tom.cumming@gowlingwlg.com

Sincerely,



Heather Dent
Compliance Manager

January 25, 2022

SML 060060
EO-WA-35659-01
EPO-EPEA 35659-07

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

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T5J 1V3

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

**Subject: Consolidated Remedial Plan for and Amendments to
Water Act Enforcement Order EO-WA-35659-01 and
Environmental Protection Order EPO-EPEA- 35659-07**

AEP has received and reviewed the following submissions:

- Draft Remedial plan, dated June 17, 2021 (Attachment 1),
- Supplemental information, dated September 17, 2021 (Attachment 2),
- Supplemental information, dated October 7, 2021 (Attachment 3),
- Supplemental information, dated December 9, 2021 (Attachment 4), and
- Supplemental information, dated January 6, 2021 (Attachment 5).

(collectively the “Consolidated Remedial Plan”)

Director’s and Inspector’s Approval of Consolidated Remedial Plan

By this letter we approve the Consolidated Remedial Plan in satisfaction of Clause 3 of EPO-EPEA- 35659-07 and Clause 3 of EO-WA-35659-01.

Pursuant to Clause 5 of EPO-EPEA- 35659-07 and Clause 6 of EO-WA-35659-01, the parties shall conduct the work described in the Consolidated Remedial Plan in accordance with the Schedule of Implementation included in the Consolidated Remedial Plan.

Amendments to EO-WA-35659-01 and EPO-EPEA- 35659-07

Please find enclosed, the amended EO-WA-35659-01(Attachment 6) and EPO-EPEA- 35659-07(Attachment 7) to reflect the deadlines included in the Schedule of Implementation included in the Consolidated Remedial Plan.

If you have any comments or questions about this letter, please contact Nathan Polturak at (780) 623-5483 or Nathan.polturak@gov.ab.ca or Heather Dent at (780) 427-9335 or Heather.Dent@gov.ab.ca.

Sincerely,



Heather Dent Director Boreal North Region	Nathan Polturak Inspector Boreal North Region
---	---

WATER ACT

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

Amendment No. 2

To

ENFORCEMENT ORDER NO. EO-WA-35659-01

Mantle Materials Group, Ltd., previously 2161889 Alberta Ltd.
P.O. Box 6977
Bonnyville, AB
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.
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T5J 1V3

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

[Collectively, the “Parties”]

WHEREAS Amendment #1 to Enforcement Order No. 35659-01 was issued to the Parties on March 19, 2021;

WHEREAS on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022, Mantle Materials Group, Ltd. (“Mantle”) submitted the Consolidated Remedial Plan (the “Plan”) for AEP’s review;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

WHEREAS on January 25, 2022, AEP approved the Consolidated Remedial Plan and notified the parties;

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. The name of 2161889 Alberta Ltd. is revised to reflect the amalgamation with Mantle.
2. In Clause 4(i) of the Enforcement Order, that the date of “October 1, 2021” be deleted and replaced by “**November 1, 2022**”.
3. In Clause 8 of the Enforcement Order, that the dates of “July 15, 2021; November 15, 2021; May 15, 2022; and July 31, 2022” be deleted and replaced by “**July 29, 2022; October 28, 2022; May 12, 2023; September 22, 2023; and September 20, 2024**”.
4. In Clause 9 of the Enforcement Order, that the date of “October 30, 2022” be deleted and replaced by “**November 30, 2024**”.

DATED at the City of Edmonton in the Province of Alberta, this Tuesday the 25th day of January 2022.

Heather Dent
Compliance Manager
Boreal District – East 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.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 2

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

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

[Collectively, the “Parties”]

WHEREAS Amendment #1 to Environmental Protection Order No. 35659-07 was issued to the Parties on March 19, 2021;

WHEREAS on May 1, 2021, 2161889 Alberta Ltd. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. (“Mantle”);

WHEREAS on January 6, 2022 Mantle submitted the Consolidated Remedial Plan (the “Plan”) for AEPs consideration;

WHEREAS the Plan included an updated schedule of implementation itemizing the timelines for remediation, reclamation, revegetation, and monitoring;

WHEREAS on January 25, 2022 AEP responded to Mantle accepting the Consolidated Remedial Plan;

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. The name of 2161889 Alberta Ltd. is revised to reflect the amalgamation with Mantle.
2. In Clause 4(h) of the Environmental Protection Order, that the date of “September 20, 2022” be deleted and replaced by “**October 31, 2022**”.
3. In Clause 4(i) of the Environmental Protection Order, that the date of “September 20, 2022” be deleted and replaced by “**November 1, 2022**”.
4. In Clause 6 of the Environmental Protection Order, that the dates of “July 15, 2021; November 15, 2021; May 15, 2022; and July 31, 2022” be deleted and replaced by “**July 29, 2022; October 28, 2022; May 12, 2023; September 22, 2023; and September 20, 2024**”.

DATED at the City of Edmonton in the Province of Alberta, this Tuesday the 25th day of January, 2022.

Heather Dent
Compliance Manager
Boreal District – East 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:

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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.

8 EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060

8.1 Summary

Reclamation for SML 060060 began on August 22nd and shut down on October 21st, 2022. Activities on site included dewatering, remediation of the northern ditch, recontouring an area in the northern portion, removing and salvaging buried topsoil and woody debris, interim remediation of the southeastern border, soil salvage, backfilling a portion of the waterbody, recontouring, and rough grading.

To access the pit, Mantle must cross the Amisk River. Historically the Amisk river crossing does not dry up, at this crossing site, until later in the summer. To reduce the risk and avoid extra costs with crossing the Amisk river during a flow period, Mantle is proposing to start earthworks activities August 1st, 2023.

The EPO amendment for hauling aggregate has now expired (July 31st, 2022) no extension was approved. The pit run that was remaining on site was used for recontouring and backfilling the waterbody.

Mantle recently engaged with AEP regarding an amended approach to the end land use. Specifically, Mantle presented the approach of developing a viable end pit lake concept as part of the final reclamation on the landscape. AEP is currently reviewing the request.

8.2 Reclamation Activities 2022

8.2.1 Dewatering

Prior to dewatering the constructed waterbody was again sampled for total metals and routine water analysis, total suspended solids (TSS), and pH. The results were positive to support the start up of dewatering operations.

Dewatering commenced on August 24th and ended on October 19th. During this time seven water samples (TSS/pH) were collected at the entry point into the wetlands adjacent to the lake. All samples were below the discharge threshold maximums as per the “Environmental Quality Guidelines for Alberta Surface Waters” (Government of Alberta, 2018).

Prior to starting the earthworks reclamation activities, the water level monitoring well was installed in the first week of June within the Wooded Coniferous Swamp S-Wc. On August 25th a levellogger and the barologger were installed in the water level monitoring well and were setup to record water level fluctuation and changes in atmospheric pressure and temperature, respectively. The two loggers recorded and logged until October 11, 2022. During the regular monitoring of the wetland water level at the monitoring well it was noticed that the level had receded slightly. As per the EPO/EO Plan tactics the discharge was temporally directed into the wetland to recharge it. The tactic proved successful to bring the level back up pre-existing conditions. The wetland

water level continued to be monitored during the remaining dewatering activities. The level stayed static and no additional recharging tactics were deployed.

The discharged water from the dewatering was not expected to be able to enter Amisk Lake. As part of the regular monitoring, the discharged water was observed to be entering the lake via a wetland with open water that borders the lake. Once discovered Mantle obtained water samples of the discharge at the end of the discharge hose and the entry point into the wetlands adjacent to the lake. After the samples were taken the pump was shut down and the samples were tested for TSS. During the dewatering operations the surface flow showed no signs of erosion, scouring, or sediment build up. An amendment was submitted to AEP along with results of samples at the discharge site, the Amisk Lake entry point, and an additional sample collected from the Amisk River. The Amisk River was sampled for total metals and routine water analysis, TSS, and pH. All results were positive to support the continuation of dewatering into Amisk Lake. AEP approved the amendment and dewatering commenced with the expectation of continuing the weekly sampling of the water prior to draining into the Amisk Lake. Weekly samples were collected for pH and TSS for the remainder of the dewatering program and they continued to be under the maximum thresholds.

8.2.2 Recontouring

The recontouring along the northeast border uncovered topsoil and woody debris that was buried in a natural depression. The burying of this material occurred prior to JMB/Mantle taking over the pit from JLG. The buried material was salvaged and the depression was recontoured to match surrounding patterns of natural drainage. The topsoil and woody debris salvaged is approximately 5,000 m³. This volume will go towards a positive increase in the soil replacement calculations for the pit.

8.2.3 Topsoil Replacement

Topsoil was replaced on the remediated ditch in the northern portion of the SML.

8.2.4 Revegetation

No revegetation activities have occurred to date.

8.3 EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060 - Schedule

Table 7: Schedule of Activities for SML 060060 Reclamation (Grey = completed)

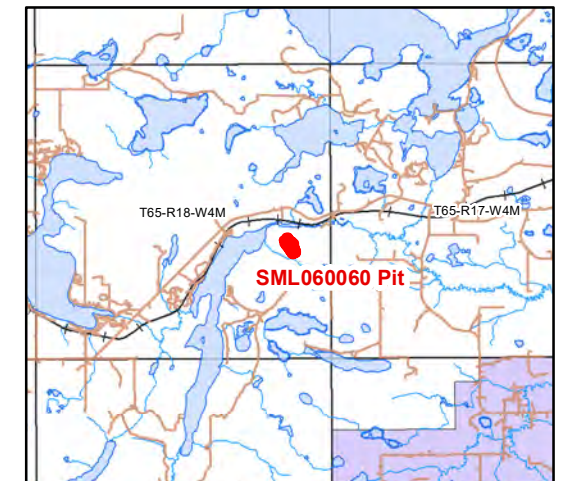
Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2022	EPO	Remediation of the North ditches – stripping soils, recontouring, final topsoil placement.	Aug 30 th
2022	EPO	Final recontouring of the Northern area. Interim remediation of southwest erosion. Salvaged topsoil and woody debris. Stripping topsoil. Dewater waterbody and completed partial backfilling of the waterbody.	Oct 21 st
2023	EPO	Dewater the waterbody. July 1 st – July 31 st	July 31 st
2023	EPO	Remediation of the waterbody-backfilling, major recontouring of the constructed waterbody. Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement, seeding Aug 1 st – Sept 30 th	Sept 30 th
2023	EPO	Six-month monitoring requirement as per the EPO	Oct 1 st , 2023, to March 31 st , 2024
2024	EPEA	Assess completed reclamation for soil stability, vegetation success, weeds	Aug 15 th
2025	EPEA	Assess completed reclamation for soil stability, vegetation success, weeds	Aug 15 th
2025	EPEA	Apply for reclamation certificate that will go towards terminating the registration	Sept 15 th

Appendix D: SML 060060

MANTLE MATERIALS
GROUP LTD.
SML 060060
Current Conditions

Athabasca County

WITHIN:
SW 13 TWP 65 RGE 18 W4M



LEGEND

- Disturbance Boundary
- Waterbody (Original)
- Areas Worked 2022
- Ditch Remediation
- Erosion_remediation
- Recontoured Fully
- Salvaged Soil Area

DATE:
October 27, 2022

BEARINGS:
Decimal Degrees
North Azimuth

DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:4,000



0 65 130 260
m



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

SW14
65-18-4

SW13
65-18-4

SW11
65-18-4

SW12
65-18-4

SML 060060



Photo 1: Photo taken looking North at the low-lying area where all the buried topsoil and woody debris was salvaged.



Photo 2: Photo taken looking North of the topsoil salvaged from the low lying area.



Photo 3: Photo looking south towards the hill utilized to backfill the waterbody.



Photo 4: Photo taken looking North of the backfill filling in the waterbody.



Photo 5: Photo taken looking southwest of the interim remediation of the erosion on the back of the south slopes.

Appendix 8 – Road Use Documentation

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT dated effective the 15th day of March, 2019;

Between:

541466 Alberta Ltd. operating as JLG Ball Enterprises
(hereinafter the "Assignor")

OF THE FIRST PART

-and-

2161889 Alberta Ltd.
(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS Robert Beaverford ("Beaverford") has entered into a Memorandum of Agreement with Travis Skoreyko, dated May 25, 2017 granting Beaverford the ability to develop and use DLO 801134 (the "Road Use Agreement") a copy of which is attached hereto as Exhibit "1";

WHEREAS the Beaverford subsequently assigned his rights and obligations in the Road Use Agreement to the Assignor by way of an Assignment Agreement dated May 25, 2017 a copy of which is attached hereto as Exhibit "2"; and

WHEREAS the Assignor has agreed to transfer and assign its rights and obligations under the Road Use Agreement to the Assignee and the Assignee has agreed to accept the transfer and assignment of the rights and obligations of the Assignor under the Road Use Agreement as its own.

NOW THEREFORE in consideration of the mutual covenants and obligations exchanged herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor hereby transfers and assigns to the Assignee and the Assignee hereby assumes and accepts from the Assignor all right, title and obligation in and to the Road Use Agreement in place of the Assignor including liability for all rent and taxes.

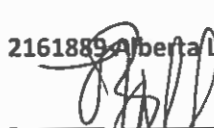
IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date and year first above written.

541466 Alberta Ltd.



Name: Lisa Ball
Title: President

2161889 Alberta Ltd.



Name: Lisa Ball
Title: President

EXHIBIT "1"

MEMORANDUM OF AGREEMENT

THIS AGREEMENT MADE effective as of the 25th day of May, 2017

BETWEEN: Travis Skoreyko,
P.O. Box 266
Caslan, Alberta
T0A 0R0

(Hereinafter referred to as the 'Holder')

AND: Robert Beaverford
52547 Rge Road 223
Sherwood Park, Alberta
T8A 4P7

(Hereinafter referred to as the 'User')

WHEREAS the Holder has entered into an Agreement with the Government of Alberta and has been granted certain rights and privileges regarding the use of DLO 801134 as shown on Schedule "A" (hereinafter referred to as the "Road").

WHEREAS the User desires to develop and use a portion of the Road for equipment transportation and hauling of goods and commodities in connection with its business.

NOW THEREFORE IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREIN CONTAINED IT IS HEREBY AGREED BETWEEN THE PARTIES THAT:

1. Subject to the terms and conditions of this Agreement, the Holder shall permit the User, including the directors, officers, employees, agents, contractors and guests of the User, to use that part of the Road for the development and transportation of aggregate materials from, and reclamation of SML060060.
2. The term of the Agreement shall be for a period of 5 years, commencing on the 25th day of May, 2017 (the "Term"). The Term of this Agreement may be extended beyond the initial 5 year period for up to an additional 5 years, but only for so long as is required by the User to fully remediate and reclaim SML060060 as required, once the Term is completed.
3. The User will, at its own expense and at all times and in all respects in its use of the Road, strictly conform to all legal requirements whatsoever whether imposed by municipal, or provincial authorities.
4. The use of the Road by the User shall not interfere or conflict with the use of the Road by the Holder and any use of the Road by the Holder shall not interfere or conflict with the use of the Road by the User.
5. The User shall be responsible for the development and construction of that portion of the Road, as outlined in Schedule "A" hereto, noted as "Portion of DLO801134 to be developed Approx. 802m" (the "User Road")
6. The User shall be responsible for the cost of and installation of a metal gate on the Road to control access to the Road.
7. The User shall acknowledge and use the Road in accordance with AEP regulations and specifications.
8. The User will implement controls and practices to preserve the Road surface and maintain safe conditions.
9. The User shall post necessary cautionary and safety signage.

10. The User may at their cost, upgrade and maintain the Road to a standard that the User requires for their operations. The Holder shall be responsible for its use of the Road and the cost of maintaining and repairing any damage created by the Holder's use of the Road at any time.
11. The User shall be responsible for reclamation of the User Road only, once its use of the User Road is completed.
12. The User shall be responsible for Provincial and Municipal fees and taxes assessed for use of the User Road, while the User is making use of the User Road.
13. Any notice, demand or other document required or permitted to be given under the terms of this Agreement shall be sufficiently given to the party to whom it is addressed if delivered or forwarded by registered mail return receipt requested to:

Travis Skoreyko,
P.O. Box 266
Caslan, Alberta
T0A 0R0


AND

Robert Beaverford
52547 Rge Road 223
Sherwood Park, Alberta
T8A 4P7


or to such other address as either party may furnish to the other from time to time. Every such notice shall be deemed to have been received, if delivery on the date of delivery and if mailed on the next business day following the date of posting.

14. This Agreement will enure to and remain binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
15. This Agreement constitutes the entire agreement among the parties, and supersedes any and all prior oral or written communications, proposals, representations and agreements. Each of the parties irrevocably confirm that there are no other written or verbal agreements or representations.
16. No amendment to this Agreement shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto.
17. This Agreement may be executed in any number of counterparts by any one or more of the parties. Each executed counterpart shall be deemed to be an original and such counterparts shall together constitute one and the same Agreement. Each counterpart may be transmitted by way of facsimile or electronic transmission, which shall constitute an original valid document, enforceable among the parties.


IN WITNESS WHEREOF the parties hereto have executed this Agreement effective on the day and year first above written.



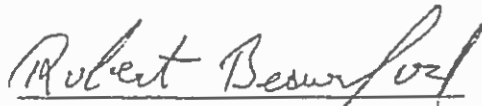
Witness
Kevin Proden



Travis Skoreyko



Witness
Kevin Proden



Robert Beaverford

EXHIBIT "2"

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT dated effective the 25th day of May, 2017;

Between:

Robert Beaverford
(hereinafter the "Assignor")

OF THE FIRST PART

- and -

541466 Alberta Ltd. operating as JLG Ball Enterprises
(hereinafter called the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor has entered into a Memorandum of Agreement with Travis Skoreyko, dated May 25, 2017 granting the Assignor the ability to develop and use DLO 801134 (the "Road Use Agreement") a copy of which is attached hereto; and

WHEREAS the Assignor has agreed to transfer and assign its rights and obligations under the Road Use Agreement to the Assignee and the Assignee has agreed to accept the transfer and assignment of the rights and obligations of the Assignor under the Road Use Agreement as its own.

NOW THEREFORE in consideration of the mutual covenants and obligations exchanged herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor hereby transfers and assigns to the Assignee and the Assignee hereby assumes and accepts from the Assignor all right, title and obligation in and to the Road Use Agreement in place of the Assignor including liability for all rent and taxes.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date and year first above written.

Robert Beaverford



Robert Beaverford



Witness

541466 Alberta Ltd. operating as JLG Ball Enterprises

Per: 

Name: Lisa Ball
Title: President

I have authority to bind the corporation

Annette Bugnet

From: Abby Horne <abbyhorne@jmbcrush.com>
Sent: Tuesday, December 17, 2019 10:39 AM
To: Caitlin Green; ndewet@athabascacounty.com
Cc: Tyler Pell
Subject: FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M
Attachments: SML060060-Temporary Bridge Crossing 20191217.PDF

Importance: High

Good Morning Norm and Caitlin,

We have been working on creating the ice bridge between NE 13-65-18-W4M and NW 18-65-17-W4M, but with the fluctuating temperatures we are not having any luck. We are looking at renting a bridge in the new year that would be removed prior to January 15, 2020 for the timing restriction, so as to provide product to our clients and are wondering if the county would be open to amending the previous agreement?

Again the reiterate what would be required and that we again would take full responsibility:

- An addendum to our existing agreement for the road allowance between NE 13-65-18-W4M and NW 18-65-17-W4M
- This addendum would be an agreement for the area shown in the map attached (Road Allowance – Temporary bridge).
- The addendum would be a temporary agreement for January 1, 2020 to January 14th, 2020.
- JMB Crushing Systems Inc. would assume full responsibility for the structure and the area identified in the attached maps.
- We would ensure the bridge was placed outside of the high water mark.

As this is once again a pressing matter, we look forward to hearing your thoughts.

Best Regards,
Abby



Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

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From: Abby Horne
Sent: November 15, 2019 9:22 AM
To: Caitlin Green <CGreen@athabascacounty.com>
Subject: RE: [Internal]RE: [EXTERNAL]RE: [Internal]RE: [EXTERNAL]FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Not to worry, that was the name prior! Thank you, you have a great weekend as well!



Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.
Box 6977 Bonnyville, AB T9N 2H4
Tel: 780-545-7071 | Fax: 780-826-6280
Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com
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From: Caitlin Green <CGreen@athabascacounty.com>
Sent: November 15, 2019 9:10 AM
To: Abby Horne <abbyhorne@jmbcrush.com>
Subject: [Internal]RE: [EXTERNAL]RE: [Internal]RE: [EXTERNAL]FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Sorry for the error in the company name. Have a good weekend!

Caitlin Green

Administrative Assistant
Infrastructure Services
Athabasca County
Office: (780) 675-2273 | Fax: (780) 675-5512
3602 48th Ave, Athabasca, AB T9S 1M8
www.athabascacounty.com

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From: Abby Horne [<mailto:abbyhorne@jmbcrush.com>]
Sent: November 15, 2019 8:59 AM
To: Caitlin Green
Subject: [EXTERNAL]RE: [Internal]RE: [EXTERNAL]FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M
Importance: High

Good Morning Caitlin,

Thank you very much for your help. I have attached the signed agreement.

Best Regards,
Abby



Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.
Box 6977 Bonnyville, AB T9N 2H4
Tel: 780-545-7071 | Fax: 780-826-6280
Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com
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From: Caitlin Green <CGreen@athabascacounty.com>
Sent: November 15, 2019 8:32 AM
To: Abby Horne <abbyhorne@jmbcrush.com>
Subject: [Internal]RE: [EXTERNAL]FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Good morning,

Please see the attached addendum with additional conditions for the ice bridge.

Thank you,

Caitlin Green

Administrative Assistant

Infrastructure Services

Athabasca County

Office: (780) 675-2273 | Fax: (780) 675-5512

3602 48th Ave, Athabasca, AB T9S 1M8

www.athabascacounty.com

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From: Abby Horne [<mailto:abbyhorne@jmbcrush.com>]

Sent: November 13, 2019 8:39 AM

To: Caitlin Green

Subject: [EXTERNAL]FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Importance: High

Good Morning Caitlin,

Just received an email to say this email was not sent yesterday. I apologize.

Thank you,

Abby



Abby Horne | Aggregate Resource Planner

JMB Crushing Systems Inc.

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

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Abby Horne

Sent: November 12, 2019 8:13 AM

To: cgreen@athabasca.com

Subject: FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Importance: High

Good Morning Caitlin,

I had sent the email below to Norm, but received an email that he will not be back to the office until November 18, 2019. Is there anyone else I can reach out to concerning our request?

Thank you,

Abby



Abby Horne | Aggregate Resource Planner

JMB Crushing Systems Inc.

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

Follow us on: [Facebook](#) | [LinkedIn](#)

Abby Horne

Sent: November 12, 2019 8:06 AM

To: ndewet@athabascacounty.com

Subject: FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Importance: High

Good Morning,

As a follow up to the email sent yesterday and that the government is relaying that this is up to the county, I thought I would lay out exactly what we require and where the responsibility would lay.

- An addendum to our existing agreement for the road allowance between NE 13-65-18-W4M and NW 18-65-17-W4M
- This addendum would be an agreement for the area shown in the map attached (Road Allowance – Ice Bridge).
- The addendum would be a temporary agreement for November 13th, 2019 to January 14th, 2020.
- JMB Crushing Systems Inc. would assume full responsibility for the structure and the area identified in the attached maps.

As we are in a bit of a tight bind with trying to provide our customers with product we would greatly appreciate your consideration. Please feel free to comment with any questions or additional concerns.

Thank you,
Abby



Abby Horne | Aggregate Resource Planner

JMB Crushing Systems Inc.

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

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Abby Horne

Sent: November 11, 2019 12:46 PM

To: 'county@smokylakecounty.ab.ca' <county@smokylakecounty.ab.ca>

Subject: FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Importance: High

Good Afternoon,

As a follow up to our conversation last week, I have included below JMBs conversation with Jenn Bowlby (Lands Officer, GOA) and Guy Hancock (Senior Water Administrator, GOA) for further clarification/information.

As per Jenn's email below we are to obtain an agreement from the Smoky Lake County for the ice bridge crossing as it is on your Road Allowance. Additionally, for the portion that is not in the road allowance we will be submitting a TFA to the government for approval.

Please let me know what further thoughts you have on this matter or if you have additional questions or comments.

I look forward to hearing back from you.

Best Regards,



**Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.**

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

Follow us on: [Facebook](#) | [LinkedIn](#)

Jennifer Bowlby <Jennifer.Bowlby@gov.ab.ca>

Sent: November 8, 2019 2:38 PM

To: Abby Horne <abbyhorne@jmbcrush.com>

Cc: Guy Hancock <Guy.Hancock@gov.ab.ca>

Subject: RE: Derek's - FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Hi Abby,

So are you planning to apply on crown land and therefore DLO051854 or have you determined that you are remaining on the developed road allowance? With DLO051854 you would require consent and some sort of agreement between the two of you. As mentioned before, you will not require a TFA if solely on the municipal road allowance. Also, it is advisable that you relay your intent with the other users in the area as you are not the only one travelling down that corridor. There has been conflict in the past regarding this crossing with other users.

Regards,

Jenn Bowlby

Lands Officer UAR

Alberta Environment and Parks

From: Abby Horne <abbyhorne@jmbcrush.com>

Sent: Friday, November 08, 2019 2:17 PM

To: Jennifer Bowlby <Jennifer.Bowlby@gov.ab.ca>

Subject: FW: Derek's - FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Importance: High

Good Afternoon Jenn,

With the clarification from Guy Hancock is it possible to move forward with a TFA?

Thank you,

Abby



**Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.**

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

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From: Guy Hancock <Guy.Hancock@gov.ab.ca>
Sent: November 8, 2019 2:11 PM
To: Abby Horne <abbyhorne@jmbcrush.com>
Cc: Muhammad Aziz <muhammad.aziz@gov.ab.ca>; Jennifer Bowlby <Jennifer.Bowlby@gov.ab.ca>
Subject: RE: Derek's - FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

It kicked back at me, so lets try again.

Guy Hancock
Senior Water Administration Officer
Upper Athabasca Region
Environment and Parks
Box 4240
Suite 1 250 Diamond Avenue
Spruce Grove Alberta T7X 3B4
Telephone 780.960.8638
Cell 780.499.1743
Fax: 780.960.8605

From: Guy Hancock
Sent: Friday, November 08, 2019 2:09 PM
To: 'abbyhorne@jmbcrush.com' <abbyhorne@jmbcrush.com>
Cc: Muhammad Aziz <muhammad.aziz@gov.ab.ca>; Jennifer Bowlby <Jennifer.Bowlby@gov.ab.ca>
Subject: RE: Derek's - FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M

Hello Abby,

Under section 1 of schedule 2 of the Water (Ministerial) Regulations you are exempt from obtaining an Approval under the Water Act. And, as this type of crossing is not noted in the Code of Practice for Watercourse Crossings you are not required to provide notice of this crossing under the Water Act.

It should be noted that only water/snow/ice can be used in the snow fill/ice bridge creation for this to be applicable. Snow mixed with soils which can cause turbidity and high TSS in the waterbody when the snow melts is not acceptable.

This does not mean you are exempt from obtaining authorization under the Public Lands Act. TFA's are part of the Public Lands Act not the Water Act.

Guy Hancock
Senior Water Administration Officer
Upper Athabasca Region
Environment and Parks
Box 4240
Suite 1 250 Diamond Avenue
Spruce Grove Alberta T7X 3B4
Telephone 780.960.8638
Cell 780.499.1743
Fax: 780.960.8605

From: Kathy Svenshek <Kathy.Svenshek@gov.ab.ca>
Sent: Friday, November 08, 2019 1:36 PM
To: Guy Hancock <Guy.Hancock@gov.ab.ca>
Cc: Muhammad Aziz <muhammad.aziz@gov.ab.ca>
Subject: Derek's - FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M
Importance: High

Good Afternoon Guy – can you please look into this and respond to Abby please? Thank you, Kathy

From: Abby Horne <abbyhorne@jmbcrush.com>
Sent: Friday, November 08, 2019 11:19 AM
To: Kathy Svenshek <Kathy.Svenshek@gov.ab.ca>
Cc: Tyler Pell <tylerpell@jmbcrush.com>
Subject: FW: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M
Importance: High

Good Morning Kathy,

I received an automated response from Derek Alexander that he is unavailable till November 29th. I had send him the email below and because this is a time sensitive matter for our company and you tell me who I can speak to on the matter below?

Thank you for your time!

Best Regards,
Abby



Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.
Box 6977 Bonnyville, AB T9N 2H4
Tel: 780-545-7071 | Fax: 780-826-6280
Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com
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Abby Horne

Sent: November 8, 2019 11:00 AM
To: Derek Alexander <Derek.Alexander@gov.ab.ca>
Cc: Jennifer Bowlby <Jennifer.Bowlby@gov.ab.ca>; Tyler Pell <tylerpell@jmbcrush.com>
Subject: Temporary Ice Bridge Crossing Between NE 13-65-18-W4M and NW 18-65-17-W4M
Importance: High

Good Morning Derek,

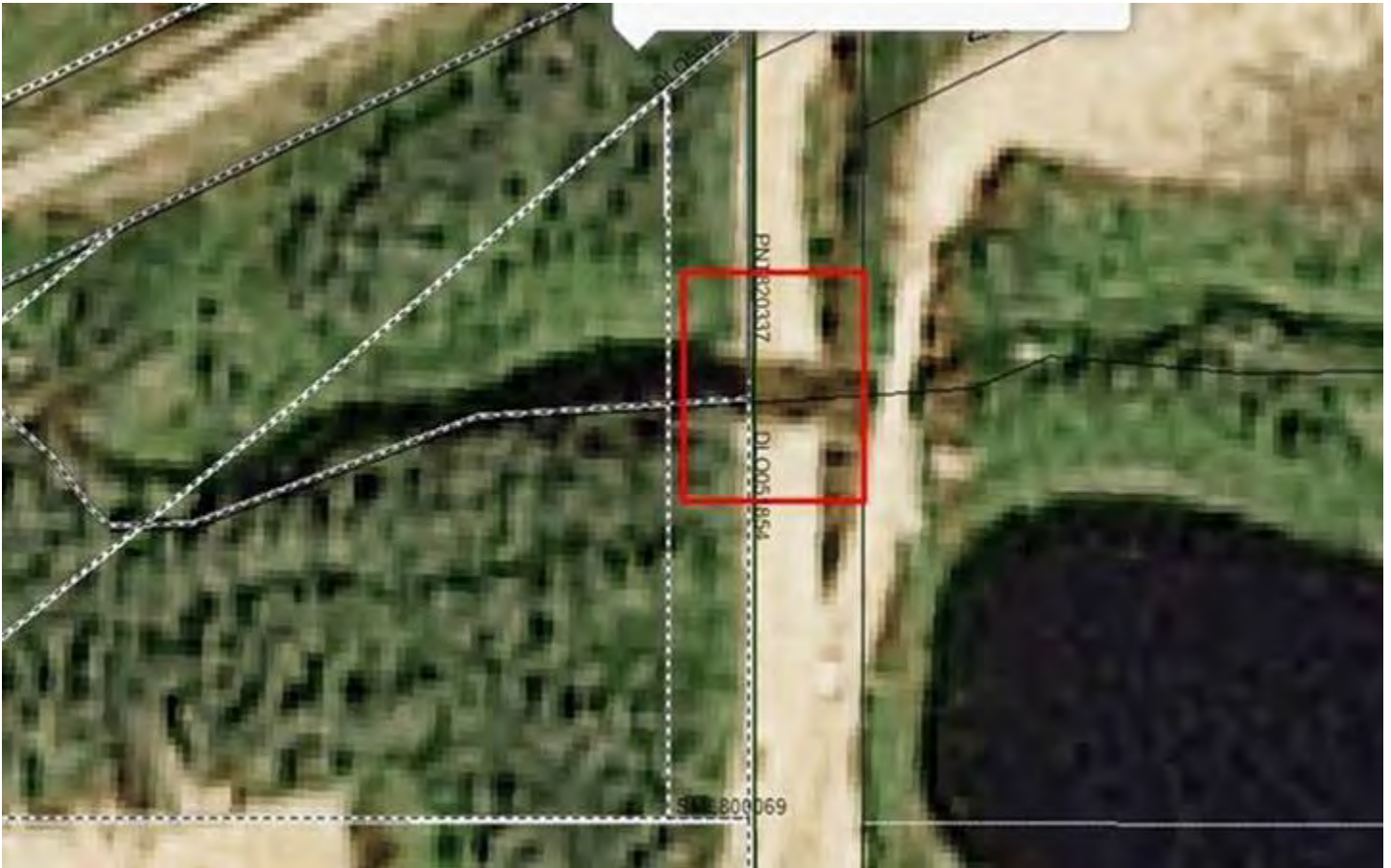
JMB Crushing Systems Inc. would like to create a temporary crossing (ice bridge on a fairly shallow crossing) from November 12th, 2019 to January 14th, 2020 between NE 13-65-18-W4M and NW 18-65-17-W4M. Previously we were using a bridge adjacent to this proposed ice bridge, but the owner has pulled the bridge as of the beginning of November (2019) and has left us with no access and in some financial turmoil as we have product that we cannot move out of SML 060060.

I have spoken to Jenn Bowlby (Lands Officer) and although according to the Water Ministerial Regulation, Section 1 of Schedule 2, it seems as though we are exempt from an approval and would not require a TFA as majority of the crossing

is on a government road allowance (We have been in contact with the county regarding this matter). Jenn has suggested I speak to you as there is some past history regarding this crossing. We would greatly appreciate your input into this matter as we would like to move this matter forward in a timely manner.

If have any questions or require additional information please feel free to contact me.

Below is approximate location of the proposed ice bridge crossing.



Best Regards,
Abby



Abby Horne | Aggregate Resource Planner
JMB Crushing Systems Inc.

Box 6977 Bonnyville, AB T9N 2H4

Tel: 780-545-7071 | Fax: 780-826-6280

Email: abbyhorne@jmbcrush.com | Website: www.jmbcrush.com

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Appendix 9 – Site Photos (2021/2022)



Photo 1: Waterbody looking east



Photo 2: Waterbody looking west



Photo 3: Erosion along the south boundary



Photo 4: Wetland to the northwest of the SML where the ditch drains. Looking south.



Photo 5: Ditch looking south



Photo 6: Ditch looking north, slumping along ditch.



Photo 7: Erosion/slumping within ditch



Photo 8: Erosion along the southwest boundary.



Photo 9: Overburden stockpile in south of SML to be stripped and used for backfilling the waterbody. Looking east.



Photo 10: Overburden stockpile in south of SML to be stripped and used for backfilling the waterbody. Looking west..



Photo 11: Black spruce stand (g1 ecosite) west of the SML, looking south.



Photo 12: White spruce and trembling aspen stand (e2 ecosite) west of the SML, looking south.



Photo 13: Trembling aspen and white spruce stand (d1 ecosite) east of the SML, looking east.



Photo 14: Vegetation establishment in the wetland, August 2021



Photo 15: Sedimentation depths in the wetland



Photo 16: Vegetation in south deposition area, August 2021



Photo 17: South deposition depths, August 2021



Photo 18: Vegetation on topsoil stockpile, August 2021



Photo 19: Vegetation within ditch, August 2021



Photo 20: Placemark 3, August 2021



Photo 21: Placemark 4, August 2021



Photo 22: Placemark 5, August 2021



Photo 23: Placemark 6, August 2021



Photo 24: Topsoil recovered (previously buried by previous landowner) looking north, October 2022



Photo 25: Remediated ditch looking south, October 2022



Photo 26: Remediated ditch looking north, October 2022



Photo 27: Reggrading along south boundary looking northwest, October 2022

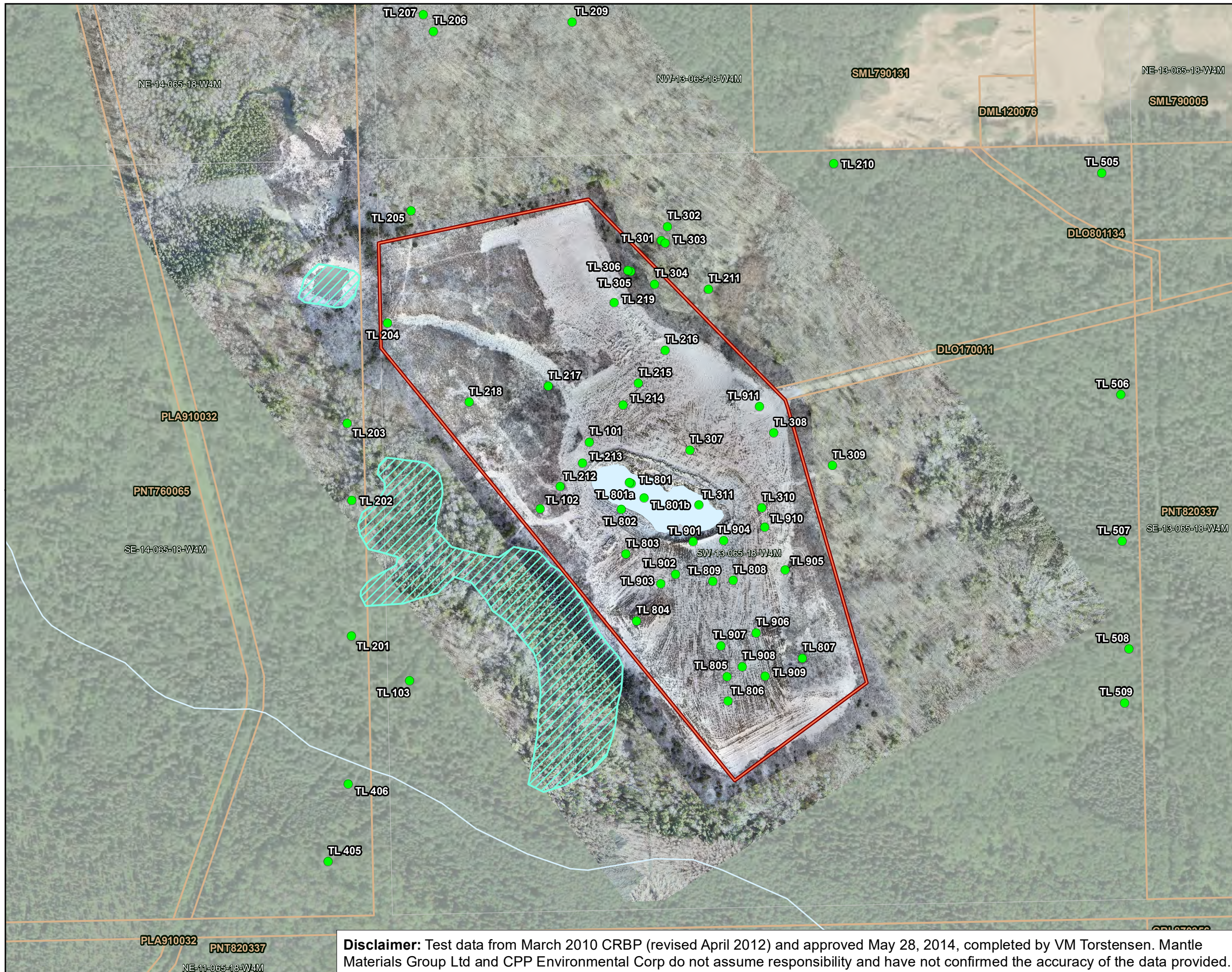


Photo 28: Drained waterbody, Oct 2022



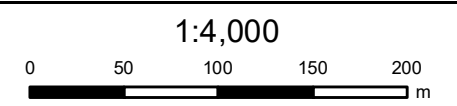
Photo 29: Pumping waterbody into identified discharge zone.

Appendix 10 – Aggregate Testing Data



- Test Hole
- Watercourse
- ▨ Wetland
- Waterbody
- SML060060 (16.74 ha / 41.37 ac)
- Disposition
- Legal Land Description

Source: Contains information licensed under the Open Government Licences – Canada, Alberta, Altalis and Maxar
 Imagery Acquisition Date: Aug 6, 2014 - Apr 21, 2021
 Coordinate System: NAD 1983 3TM 114



Disclaimer: Test data from March 2010 CRBP (revised April 2012) and approved May 28, 2014, completed by VM Torstensen. Mantle Materials Group Ltd and CPP Environmental Corp do not assume responsibility and have not confirmed the accuracy of the data provided.

Date: January 22, 2023
 Prepared by: T. Kjolrien



Test Hole Data -
Water Table Dept.

TABLE 1: TEST LOG
REF: ATTACHED SKETCH 1 'SAMPLE LOCATIONS'

TEST LOG	SUBSURFACE SOIL SAMPLES	MATERIALS CLASSIFICATION
SITE LOCATION:	SML 060060 PART OF SW13 065 18 W4M	JLG BALL ENT / GORD
TEST PLAN:	D TORSTENSEN	TORLAND / D TORSTENSEN
EQUIPMENT OPERATOR:	CRAIG	LOGS: D TORSTENSEN 101-116 / GORD 217-241
EQUIPMENT:	JD 270 TRACKED HOE	
TESTING DATE(S):	MARCH 31, APRIL 2 & 3, 2009	

COORDINATES: UTM ZONE 12 GENERAL SOIL LITHOLOGY T9 0-10cm CLAYEY SAND; S9 0-20cm CLAY & SAND
DEPTH UNITS: FEET (+/- NEAREST UNIT) GENERAL TOPOGRAPHY MIXED MATURE TREES, HILLS. ELEVATION VARIANCE APPROX 20 FT

TL 101	TL 102	TL 103	TL 104	TL 105	TL 106	TL 107	TL 108	TL 109	TL 110
0397 000 E 6053 673 N	0396 939 E 6053 673 N	0396 989 E 6053 678 N	0397 021 E 6053 641 N	0397 022 E 6053 559 N	0396 939 E 6053 478 N	0396 916 E 6053 483 N	0396 893 E 6053 540 N	0396 827 E 6053 573 N	0396 836 E 6053 620 N
00 - 20 S	00 - 04 Pe 04 - 18 Gcs	00 - 12 S 12 - 17 Ps 17 - 19+ Gs	00 - 20 C	00 - 15 S 15 - 18 C	00 - 20 S	00 - 04 S 04 - 05 Fs 06 - 18+ Ps	00 - 13 S 13 - 18 S	00 - 09 SIS 09 - 18+ Fs 18+ - 00	00 - 03 S 03 - 20+ Gs 20+ - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
	W@6 in small depression		In large depressior		Very coarse sand		13-18 Course sanc		
TL 111	TL 112	TL 113	TL 114	TL 115	TL 116	TL 217	TL 218	TL 219	TL 220
0398 888 E 6053 837 N	0398 835 E 6053 848 N	0398 870 E 6053 874 N	0398 914 E 6053 717 N	0398 912 E 6053 783 N	0398 950 E 6053 772 N	0398 965 E 6053 828 N	0398 992 E 6053 792 N	0398 859 E 6053 783 N	0398 788 E 6053 789 N
00 - 10 S	00 - 15 S 15 - 18+ Gs	00 - 18 S 18 - 00	00 - 12 S 12 - 18+ Gs	00 - 20 S 20 - 00	00 - 06 S 06 - 17+ Gs	00 - 01 T 01 - 20 S	00 - 01 T 01 - 20 S	00 - 01 T 01 - 03 Fs 03 - 12 S 12 - 18 Gs	00 - 04 T 04 - 16 T 16 - 00 00 - 00 00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
	W@12	W@10	On Ridge	W@18				W@15 12-18 2-3' Rock	
TL 221	TL 222	TL 223	TL 224	TL 225	TL 226	TL 227	TL 228	TL 229	TL 230
0398 854 E 6053 818 N	0398 857 E 6053 894 N	0398 798 E 6053 907 N	0398 829 E 6053 943 N	0398 894 E 6053 986 N	0398 815 E 6053 995 N	0398 737 E 6053 717 N	0398 774 E 6053 704 N	0398 798 E 6053 708 N	0398 838 E 6053 700 N
00 - 01 T	00 - 01 T 01 - 05 S 05 - 20 Fs	00 - 03 T 03 - 20 C 20 - 00	00 - 01 T 01 - 05 S 05 - 16 Gs	00 - 01 T 01 - 05 S 05 - 07 Fs	00 - 01 T 01 - 18 S 18 - 00	00 - 01 T 01 - 04 S 04 - 18 C	00 - 01 T 01 - 02 F 02 - 18 C	00 - 03 T 03 - 10 C 10 - 18 F	00 - 01 T 01 - 16 Sc 16 - 20+ L 20+ - 00 00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
5-20 2-3' Rock	1-5 Big Gravel		W@6 16+ Smaller Rock			4-18 Big Rocks		18+ Small Gravel	
TL 231	TL 232	TL 233	TL 234	TL 235	TL 236	TL 237	TL 238	TL 239	TL 240
0398 871 E 6053 741 N	0398 918 E 6053 897 N	0398 916 E 6053 832 N	0398 739 E 6053 977 N	0398 644 E 6053 985 N	0398 638 E 6053 924 N	0398 666 E 6053 871 N	0398 670 E 6053 793 N	0398 921 E 6053 437 N	0398 893 E 6053 482 N
00 - 01 T	00 - 01 T 01 - 10 S	00 - 03 T 03 - 20 S 20 - 00	00 - 01 T 01 - 20 S 20 - 00	00 - 01 T 01 - 20 S 20 - 00	00 - 01 T 01 - 10 Sc 10 - 00	00 - 01 T 01 - 08 C 08 - 10 Fs 10 - 20 C	00 - 01 T 01 - 20 C 20 - 00	00 - 01 T 01 - 20 S 20 - 00	00 - 01 T 01 - 20 S 20 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
		W@12							
TL 241	TL 242	TL 243	TL 244	TL 245	TL 246	TL 247	TL 248	TL 249	TL 250
0397 068 E 6053 520 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N	0000 000 E 0000 000 N
00 - 01 T	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
01 - 02 F	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
02 - 20 C	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
20 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00
00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00	00 - 00

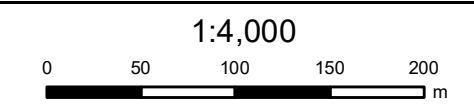
CRBP for SML 060060 March 2010, revised April 2012 Submitted to ASRD

LEGEND:	AGGREGATE PROFILE:
Pe Peat	Sa (S) Sand: estimated less than 20% gravel
T Organic Top Soils	Low (P) Low gravel content: estimated 20-35% gravel
C Clay	Med (F) Medium gravel content: estimated 35-50% gravel
BR Bedrock	High (G) High gravel content: estimated more than 50% gravel
W@ Water @ (level or range of the top of wet material)	Definer: Gs G in Sand; Gsi G in Silt; Gc G in Clay
UTP Unable to penetrate	Gsc G in Sandy clay; Gcs G in Clayey sand;
CS Clayey Sand	
SSI Sandy Silt	
SIS Silty Sand	
SIC Silty Clay	
SC Sandy Clay	

- TestHoleData
- Watercourse
- Wetland
- Waterbody
- SML060060 (16.74 ha / 41.37 ac)
- Disposition
- Legal Land Description



Source: Contains information licensed under the Open Government Licences – Canada, Alberta, Altalis and Maxar
 Imagery Acquisition Date: 2014 - 2022
 Coordinate System: NAD 1983 3TM 114



Disclaimer: Test data from March 2010 CRBP (revised April 2012) and approved May 28, 2014, completed by VM Torstensen. Mantle Materials Group Ltd and CPP Environmental Corp do not assume responsibility and have not confirmed the accuracy of the data provided.

Date: January 22, 2023
 Prepared by: T. Kjolrien



Test Holes - Lithology

TEST DATA IN SUPPORT OF SML 060060

Test Logs:	VM Torstensen dated 9-13 Feb. & 4-5 Apr. 2006			
Location:	Crown Land SME050166 and SME060026 N1/2 2 E 1/2 11, SW 1/4 11, W 1/2 12, W 1/2 13 & E 1/2 14 of 65-18-W4			
Equipment:	Bobcat (tracked) Mounted Hydraulic Auger (6") capable of 60 foot depth.			
LEGEND:	<p>Clay</p> <p>Silt</p> <p>Sand</p>	<p>Poor Gravel less than 35% rock content</p> <p>Fair Gravel less than 35-50% rock content</p> <p>Good Gravel greater than 50% rock content</p> <p>BedRock</p> <p>Refusal unable to penetrate</p>		
Test Log #	GPS Location	Material Type	Depth (feet)	Comments
TL 101	N6053787 E396807	Cl FG G	00 - 11 11 - 14 14 - 26+	G below
TL 102	N6053718 E396752	Cl Sa Cl	00 - 14 14 - 17 17 - 28	
TL 103	N6053541 E396605	Cl	00 - 27	
TL 104	N6053186 E396257	Cl	00 - 24	
TL 105	N6052724 E396150	Cl	00 - 22	
TL 106	N6052055 E395406	Cl	00 - 22	
TL 201	N6053591 E396545	Cl some rock	00 - 18	
TL 202	N6053736 E396552	Cl Sa Cl	00 - 07 07 - 16 16 - 17	
TL 203	N6053818 E396550	Cl	00 - 22	
TL 204	N6053923 E396598	Sa SaCl Sa G	00 - 03 03 - 08 08 - 12	Ref
TL 205	N6054041 E396628	Sa	00 - 27	
TL 206	N6054231 E396660	Sa	00 - 27	
TL 207	N6054249 E396650	Sa	00 - 22	
TL 209	N6054235 E396808	Sa PG Cl	00 - 30 30 - 33 @ 33	
TL 210	N6054072 E397080	Sa	00 - 33	
TL 211	N6053944 E396941	Cl	00 - 22	
TL 212	N6053741 E396774	Sa Cl	00 - 12 12 - 25	
TL 213	N6053765 E396799	Cl PG G F G	00 - 08 08 - 11 11 - 17 17 - 21 21 - 33+	G below
TL 214	N6053825 E396845	SaCl Sa G P/FG FG CG	00 - 05 05 - 11 11 - 15 15 - 29 29 - 32 32 - 39	Ref
TL 215	N6053847 E396862	Sa G Sa PG Sa G	00 - 11 11 - 18 18 - 30 30 - 33 33 - 40 40 - 50+	G below
TL 216	N6053881 E396892	Sa G	00 - 41 41 - 50+	G below
TL 217	N6053848 E396766	Organics + Cl G Cl	00 - 30 30 - 36 36 - 42	
TL 218	N6053835 E396681	Sa	00 - 17	

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TL 219	N6053934 E396840	SaCl Sa PG FG G	00 - 08 08 - 12 12 - 21 21 - 28 28 - 47+	G below
TL 301	N6053998 E396893	Sa Cl	00 - 16 16 - 40	
TL 302	N6054013 E396900	Sa SaCl Cl	00 - 15 15 - 22 22 - 35	
TL 303	N6053995 E396897	Sa Cl	00 - 22 22 - 40	
TL 304	N6053952 E396884	Sa	00 - 40	
TL305	N6053967 E396859	Sa G PG G	00 - 28 28 - 33 33 - 44 44 - 47	G below
TL 306	N6053968 E396856	Cl Sa G	00 - 7 7 - 14 14 - 16	G below
TL 307	N6053774 E396914	Sa PG G	00 - 20 20 - 42 42 - 48	G below
TL 308	N6053788 E397004	Sa G	00 - 40 40 - 50	G below
TL 309	N6053751 E397065	Sa Cl	00 - 3 3 - 22	
TL 310	N6053709 E396988	Sa G Sa	00 - 13 13 - 15 15 - 50	
TL 311	N6053715 E396921	Sa FG Sa PG Sa PG Sa FG Sa	00 - 14 14 - 17 17 - 20 20 - 23 23 - 30 30 - 33 33 - 40 40 - 43 43 - 50	
TL 401	N6052592 E396965	SaCl G Sa	00 - 2 2 - 4 4 - 33	
TL 402	N6052698 E396962	Sa	00 - 32	
TL 403	N6052966 E396532	SaCl Cl some rock Cl	00 - 03 03 - 10 10 - 22	
TL 404	N6053143 E396538	Cl Cl Some rock Cl	00 - 17 17 - 19 19 - 24	
TL 405	N6053352 E396510	Cl G Cl	00 - 02 02 - 07 07 - 24	
TL 406	N6053434 E396535	Cl	00 - 25	
TL 410	N6052464 E396963	Sa PG Sa Sa below	00 - 04 04 - 08 08 - 40+	
TL 411	N6052297 E396522	Sa G Sa Sa below	00 - 01 01 - 06 06 - 30+	

CRBP for SML 060060 March 2010, revised April 2012 Submitted to ASRD

TL 412	N6052196 E396513	Sa G Sa G Sa G Sa Sa below	00 - 01 01 - 03 03 - 17 17 - 18 18 - 23 23 - 25 25 - 40+	
TL 413	N6051995 E396432	Sa Sa below	00 - 22+	
TL 414	N6051925 E396363	Sa G @ 1-3, 10-12 (@ 10-15 P/FG)	00 - 30	
TL 505	N6054050 E397365	Cl	00 - 20	
TL 506	N6053813 E397375	Cl Cl some rock Cl	00 - 15 15 - 17 17 - 25	
TL 507	N6053657 E397370	Cl G	00 - 12 12 - 25	
TL 508	N6053542 E397372	Sa/G G Sa Cl	00 - 01 01 - 04 04 - 09 09 - 23	
TL 509	N6053485 E397365	G Cl	00 - 05 05 - 25	
TL 801	N6053741 E396850	Sa G	00 - 08 08+	(some rock @ 2-4 ft. Ref
TL 801a	N6053742 E396848	Sa G	00 - 02 02+	Ref
TL 801b	N6053725 E396863	Sand G	00 - 10 10 - 23+	Ref
TL 802	N6053714 E396838	Sa PG G Sa PG G PG/Sa G	00 - 04 04 - 09 09 - 11 11 - 13 13 - 16 16 - 22 22 - 24 24 - 26+	(some rock @ 4ft) (some Cl in Sa) G below
TL 803	N6053666 E396841	Sa PG G Sa/PG FG G	00 - 17 17 - 22 22 - 24 24 - 35 35 - 42 42 - 50+	(some Cl) (coarse @ 42ft-layers of PG @ 36-38ft) G below
TL 804	N6053594 E396849	Sa PG G PG Sa G	00 - 15 15 - 17 17 - 25 25 - 27 27 - 38 38 - 50+	G below
TL 805	N6053531 E396943	Sa FG Sa	00 - 05 05 - 09 09 - 50+	
TL 806	N6053505 E396943	Sa	00 - 32	(small pea G @ 0-4ft)
TL 807	N6053547 E397024	PG Cl SaCl Cl	00 - 05 05 - 09 09 - 12 12 - 25+	
TL 808	N6053633 E396954			Ref

TL 809	N6053633 E396932	Soil CG Sa G Sa	00 - 01 01 - 23 23 - 28 28 - 30 30 - 50+	
TL 810	N605364 E396920	Sa G Sa G Sa	00 - 04 04 - 20 20 - 40 40 - 42 42 - 50+	
TL 901	N6053676 E396913	Sa G	00 - 11 11 - 14+	Ref
TL 902	N6053642 E396893	Sa G	00 - 12 12 - 13+	
TL 903	N6053633 E396877	Sa G	00 - 17 17 - 19+	Ref
TL 904	N6053676 E396946	Soil G F/PG G PG/Sa G FG G	00 - 06 06 - 10 10 - 17 17 - 27 27 - 29 29 - 32 32 - 35 35 - 38+	G below
TL 905	N6053642 E397010	Sa G	00 - 42 42 - 50+	(1-2 ft Sa in layer)
TL 906	N6053576 E396976	Sa G Sa FG Sa FG	00 - 14 14 - 15 15 - 26 26 - 28 28 - 45 45 - 56+	G below
TL 907	N6053564 E396938	Sa G FG Sa FG Sa	00 - 09 09 - 14 14 - 19 19 - 27 27 - 29 29 - 50+	
TL 908	N6053541 E396960	Sa FG Sa G	00 - 09 09 - 11 11 - 40 40 - 50+	G below
TL 909	N6053530 E396984	Sa FG G	00 - 22 22 - 45 45 - 50+	G below
TL 910	N6053688 E396990	Sa G PG Sa	00 - 12 12 - 15 15 - 20 20 - 50+	
TL 911	N6053817 E396990	Sa G Sa	00 - 36 36 - 37 37 - 50+	

CRBP for SML 060060 March 2010, revised April 2012 Submitted to ASRD

Appendix 11 – Alberta Conservation Information Management System (ACIMS) and Fish and Wildlife Management Information Internet Mapping Tool (FWIMT) Documentation

Date: 21/1/2023

Requestor: Consultant

Reason for Request: Environmental Reporting

SEC: 13 **TWP:** 065 **RGE:** 18 **MER:** 4



■ Non-sensitive EOs (updated: June 2022)

M_RR_TTT_SS	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
-------------	-------	-------	--------	-------	----------	------------

No Non-sensitive EOs Found: Next Steps - See FAQ (<https://www.albertaparks.ca/albertaparksca/management-land-use/alberta-conservation-information-management-system-acims/faqs.aspx#2> - Process)

■ Sensitive EOs (updated: June 2022)

M-RR-TTT	EO_ID	ECODE	S_RANK	SNAME	SCOMNAME	LAST_OBS_D
----------	-------	-------	--------	-------	----------	------------

No Sensitive EOs Found: Next Steps - See FAQ (<https://www.albertaparks.ca/albertaparksca/management-land-use/alberta-conservation-information-management-system-acims/faqs.aspx#2> - Process)

Fish and Wildlife Internet Mapping Tool (FWIMT)

(source database: Fish and Wildlife Management Information System (FWMIS))

Species Summary Report

Report Date: 21-Jan-2023 16:13

Species present within the current extent

Fish Inventory

NORTHERN PIKE
WALLEYE
YELLOW PERCH

Wildlife Inventory

No Species Found in Search Extent

Stocked Inventory

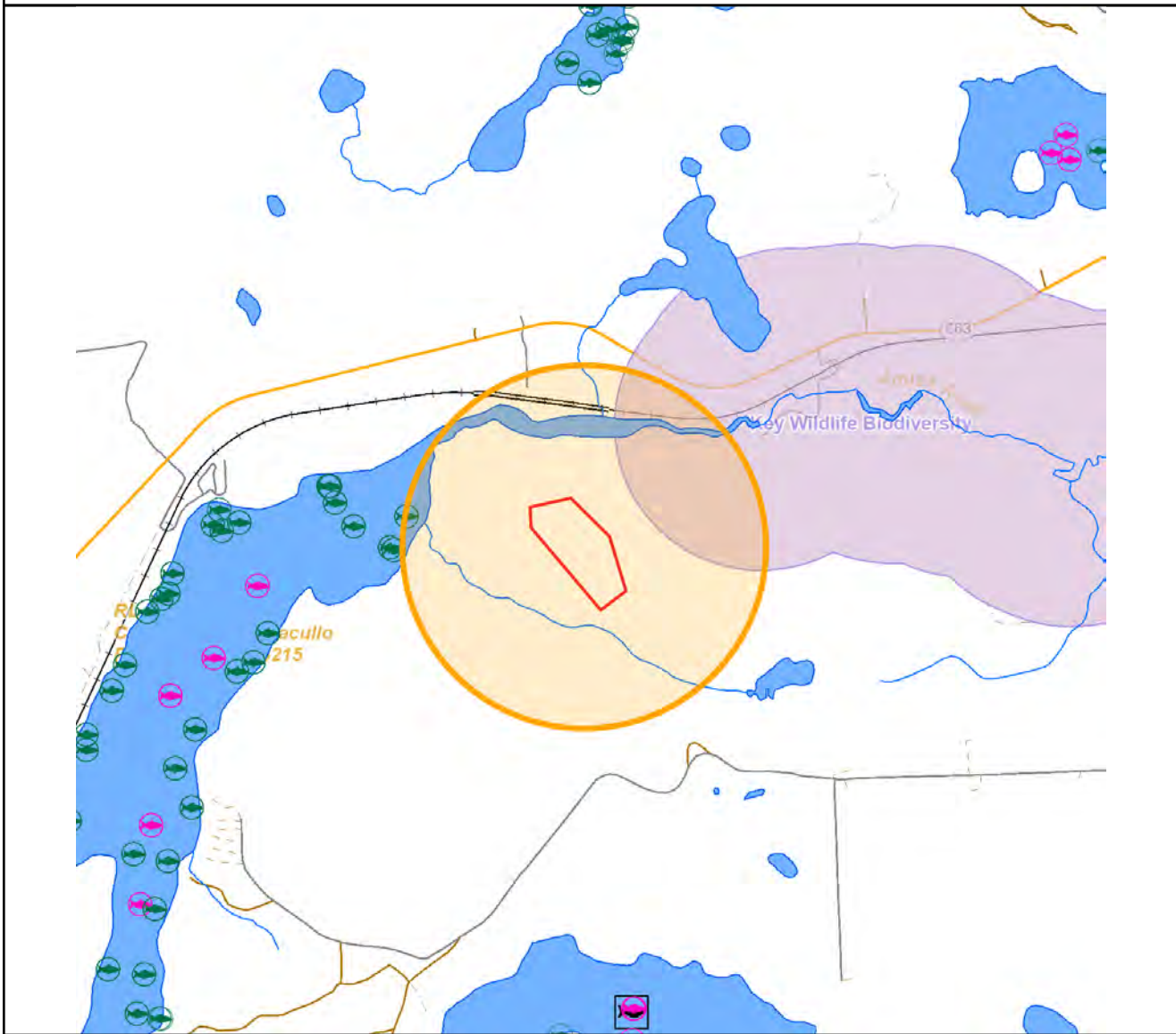
No Species Found in Search Extent

Buffer Extent

Centroid (X,Y)	Projection	Centroid (Qtr Sec Twp Rng Mer)	Radius or Dimensions
655077, 6052830	10-TM AEP Forest	SW 13 65 18 4	1 kilometers

Contact Information

For contact information, please visit:
<https://www.alberta.ca/fisheries-and-wildlife-management-contacts.aspx>



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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 19th 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.

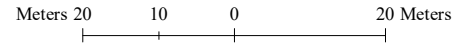
Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

APPENDIX A



SML 930040

Scale: 1 : 1,000



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



Coordinate System: NAD 1983 UTM Zone 12N
 Produced by Northeast Geospatial Unit
 Created by: rhonda.cornors on 3/19/2021
 Project # NE-0582-000-00
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 therefore the Government of Alberta assumes
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NE23-61-7-W4

NW24-61-7-W4

SML930040

Pit (0.38 ha)

SE23-61-7-W4

SW24-61-7-W4

Trespass on public land (0.02 ha)

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 1

To

ENVIRONMENTAL PROTECTION ORDER 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 Environmental Protection Order No. 35659-08 ("EPO-EPEA-35659-08") was issued to the Parties on March 19, 2021;

WHEREAS ;

WHEREAS EPO-EPEA-35659-08 lists the area of the Pit as XXXX hectares;

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

The line "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" is deleted and replaced by

"WHEREAS the Pit is approximately 0.40 hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;"

DATED at the City of Edmonton in the Province of Alberta, this Monday on the 26th day of April, 2021.

**Heather
Dent**

Digitally signed by
Heather Dent
Date: 2021.04.26 15:07:05
-06'00'

Heather Dent
Compliance Manager
Regulatory Assurance Division
North Region

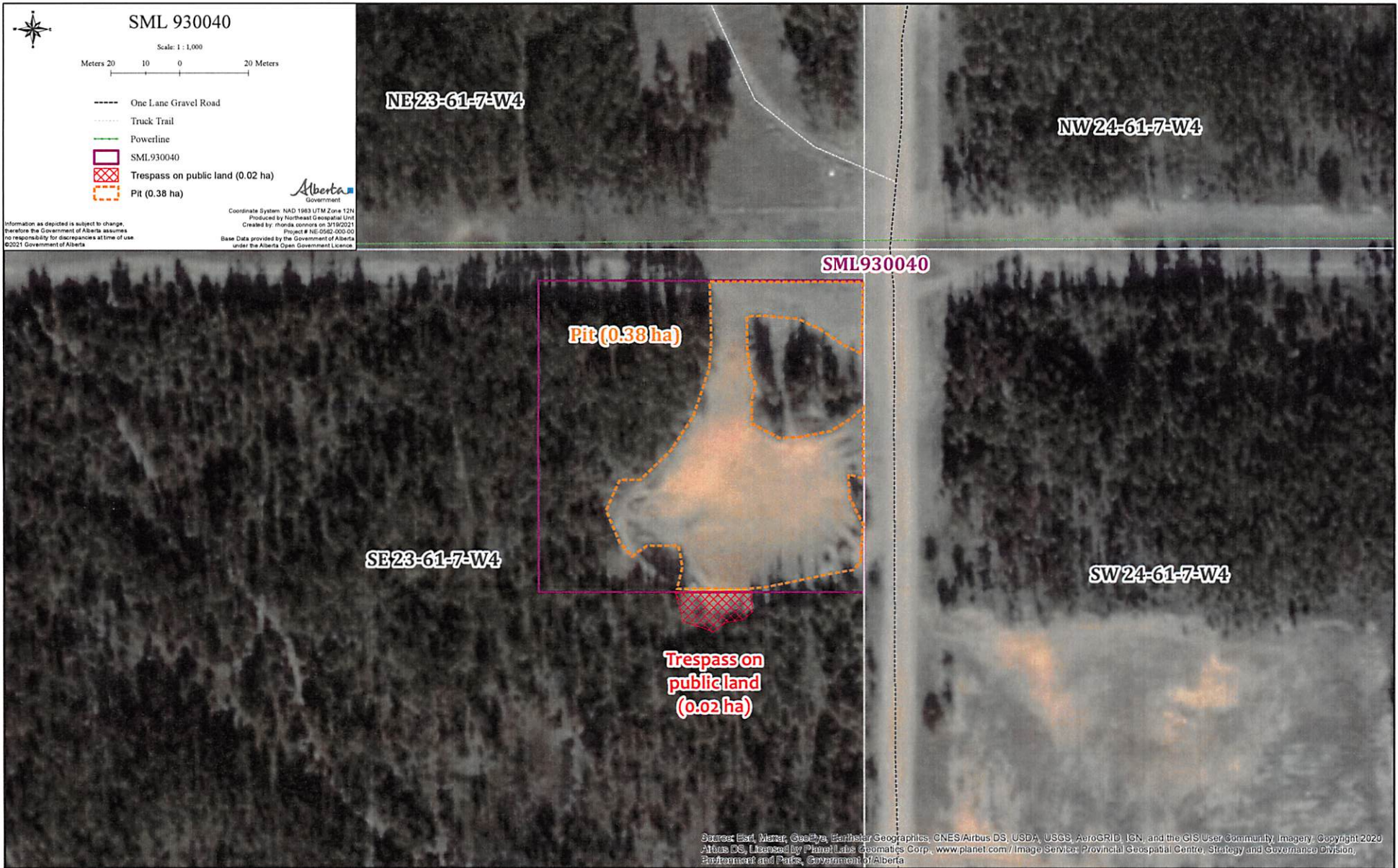
Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board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



ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 2

To

ENVIRONMENTAL PROTECTION ORDER 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 Environmental Protection Order No. 35659-08 (EPO-EPEA-35659-08) was issued to the Parties on March 19, 2021;

WHEREAS section 243(1)(b) of the *Environmental Protection and Enhancement Act* states the Director

may cancel an environmental protection order;

THEREFORE, I Heather Dent, Director pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER that EPO-EPEA-35659-08 is cancelled as against Jeffrey Buck, former Director JMB Crushing Systems Inc. The effect of this is that Jeffrey Buck is no longer a party to this order.

DATED at the City of Edmonton in the Province of Alberta, this 18th day of November, 2022.

Heather Dent
Compliance Manager
North Region/ Boreal East District

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.

EPO-EPEA-35659-08 PLAN

SML 930040

(SE 23-061-07-W4M)

Mantle Materials Group, Ltd.

May 31, 2021

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7	History of Surface, Subsurface, Groundwater Disturbance.....	2
8	Adjacent Land Use.....	2
9	Marketable Aggregate.....	2
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APPENDIX A: Current Conditions Map

APPENDIX B: Cross-Section Map

APPENDIX C: Conceptual Reclamation Map

APPENDIX D: Cross-Sections

1 Introduction

This Plan is in response to EPO-EPEA-35659-08 on Surface Materials Lease (SML) 930040 and covers requirements in the order under number four Plan requirements.

Information from previous documents and site assessments for SML 930040 were used in the development of this Plan.

All garbage and debris on site will be removed prior to reclamation activities.

Nathan Polturak, Environmental Protection Officer with Alberta Environment & Parks was consulted in the development of the Plan.

2 Topography

SML 930040 is approximately one-kilometer upslope and east of the Mooselake River valley. The undisturbed area surrounding the SML is mostly level to nearly level.

3 Drainage

The SML is located within the Mooselake River valley and the area has an overall western aspect.

The SML and area surrounding are well-drained; as such no pooling of water was observed.

4 Soils

The soils in SE 23-61-7-W4M, based on the Agricultural Regions of Alberta Soil Inventory Database (AGRASID), are classified as Eluviated Butric Brunisols developed on very coarse textured (S, LS) sediments deposited by wind or water.

Based on site assessment on May 12, 2021 the following soil conditions were determined based on the undisturbed areas of the SML:

Table 1: 2021 Soil Conditions

Material	Average Thickness (cm)	Texture
Topsoil	3.5	Loamy Sand, Loam
Subsoil	18+	Sand

5 Vegetation

A portion of the SML has been undisturbed in the west and northwest area. The undisturbed portion of the SML is forested consisting primarily of Jack Pine with prickly rose, blueberry, bearberry, lichen, and moss. The jack pine in this area have been severely affected by dwarf mistletoe.

No weeds were observed within the SML during the May 12th, 2021, site assessment.

6 Land Capability

The Canadian Land Inventory (CLI) classification for Forestry has been classed SML 930040 as a Class 4, Subclass X for 90% and Class 6, Subclass W for 10% for most of the SML. A small western portion of the SML is classified as a Class 7 with subclass WH. Class 4 lands have moderate limitations to the growth of commercial forests including some soils with moisture deficiency. Class 6 is lands having severe limitations to the growth of commercial forests including soils that have excess moisture. Class 7 is lands having severe limitations which preclude the growth of commercial forests with excess moisture with low temperatures.

7 History of Surface, Subsurface, Groundwater Disturbance

Typical disturbance of surface and subsurface has occurred as part of the excavation of insitu aggregate.

The total disturbed area is 0.51 hectares. While most of the SML has been disturbed, no issues with erosion were observed.

Overall drainage of the SML is aligned with the surrounding area; no water is being impounded in any of the low-lying areas of the SML.

8 Adjacent Land Use

The adjacent land uses include oil and gas, and two gravel pits: SML 840073 and SML 860002.

9 Marketable Aggregate

No marketable material is on site.

10 End Land Use

The end land use of SML 930040 is proposed as a forested upland wildlife habitat.

To ensure the targeted end land use is reached, large boulders will be strategically placed to block access to the reclaimed areas of the SML.

11 Reclamation Objective

The reclamation objective is to satisfy the EPO requirements and work towards receiving a reclamation certificate and cancellation of the SML.

12 Reclamation Activities

Once the EPO Plan is approved, final reclamation activities will begin as presented in this plan.

12.1 Equipment Types

Typical hydroseeding machinery will be utilized in the revegetation strategies of the reclamation activities.

Small equipment such as a skid steer and small excavator will be used to complete the earth works portion of the reclamation activities.

12.2 Recontouring

Recontouring will be completed using onsite native materials. All internal slopes and slopes along the boundary will be recontoured to slopes no greater than 6:1.

12.3 Topsoil Placement

Topsoil placement will target, at a minimum, 80% of the pre-disturbance thickness. This is based on the industry norm of expected soil losses during soil handling activities.

The topsoil piles are labeled on the current conditions map as "TS#". The total volume of topsoil is approximately 120 m³.

Based on the area requiring topsoil and the volume of topsoil available, there is a shortfall of 1 cm. Since topsoil availability is minimal within the SML, hydroseeding with native seed mixture is proposed as an alternative to hauling in topsoil. Together with the topsoil on site, hydroseeding will provide a growing medium for the native seed to establish in the bare areas of the SML.

The disturbed area requiring topsoil and hydroseed is 0.51 hectares.

12.4 Revegetation

Revegetation will occur through natural ingress of native species and the seeding of native seed via hydroseeding over the available topsoil. Recommended seed will be based on Native Plant Revegetation Guidelines for Alberta¹ for the for the Dry Mixwood natural sub-region.

¹ Government of Alberta. 2001. Native Plant Revegetation Guidelines for Alberta. Agriculture, Food and Rural Development Department. <http://www.environment.gov.ab.ca/info/library/6155.pdf>

Mantle is currently working with a reclamation services company on a hydroseed and a native seed prescription for reclamation.

13 Monitoring and Maintenance Program – Six Months

As per the EPO requirements a six-month monitoring and maintenance program will be implemented after final reclamation is completed.

The program scope will cover the completed reclamation activities under the EPO and will monitor the success of the implemented activities and identify the need for any maintenance to meet the objectives of the Plan.

Monitoring of the following will occur:

- Soil stability and signs of erosion
- Surface drainage compared to plan
- Seed germination success
- Weed occurrences.

Maintenance activities required to address any issues found in the monitoring portion of the program will be implemented in the applicable season. They could include, but not limited to:

- Corrective earthworks (summer, fall)
- Additional seeding (spring, summer)
- Spraying or pulling of weeds (summer)

If the reclamation activities are completed shortly before winter conditions, the monitoring and maintenance will commence in the spring and summer of the following year as part of the EPO requirements and as part of the Surface Material Lease conditions that go towards receiving a reclamation certificate and eventual cancellation of the Surface Material Lease.

14 Schedule

Table 2: Schedule of Activities for SML Reclamation

Year	Activity covered under EPO or Surface Material Lease (SML)	Description	Completion Date
2021	EPO	Removal of garbage and debris. Complete the recontouring, hydroseeding, and block access by October 31 st .	Oct 31 st
2022	EPO	Begin six-month monitoring requirement as per the EPO	May 1 st to October 31 st
2022	EPO	Assess soil stability, revegetation success, and check for the presence of weeds.	July 15 th
2022	EPO	Address any shortfalls discovered from the assessment.	Sept 20 th
2023	SML	Assess the soil stability after spring thaw.	May 15 th
2023	SML	Assess vegetation success and survey for the presence of weeds.	July 1 st
2023	SML	Apply for reclamation certificate that will go towards cancellation of the Surface Materials Lease.	Nov 1 st

15 Closure

The EPO Plan has been prepared by Tyler Pell RPFT, Aggregate Resource Manager, Mantle Materials Group, Ltd.


Tyler Pell, RPFT

Appendix A: Current Conditions Map

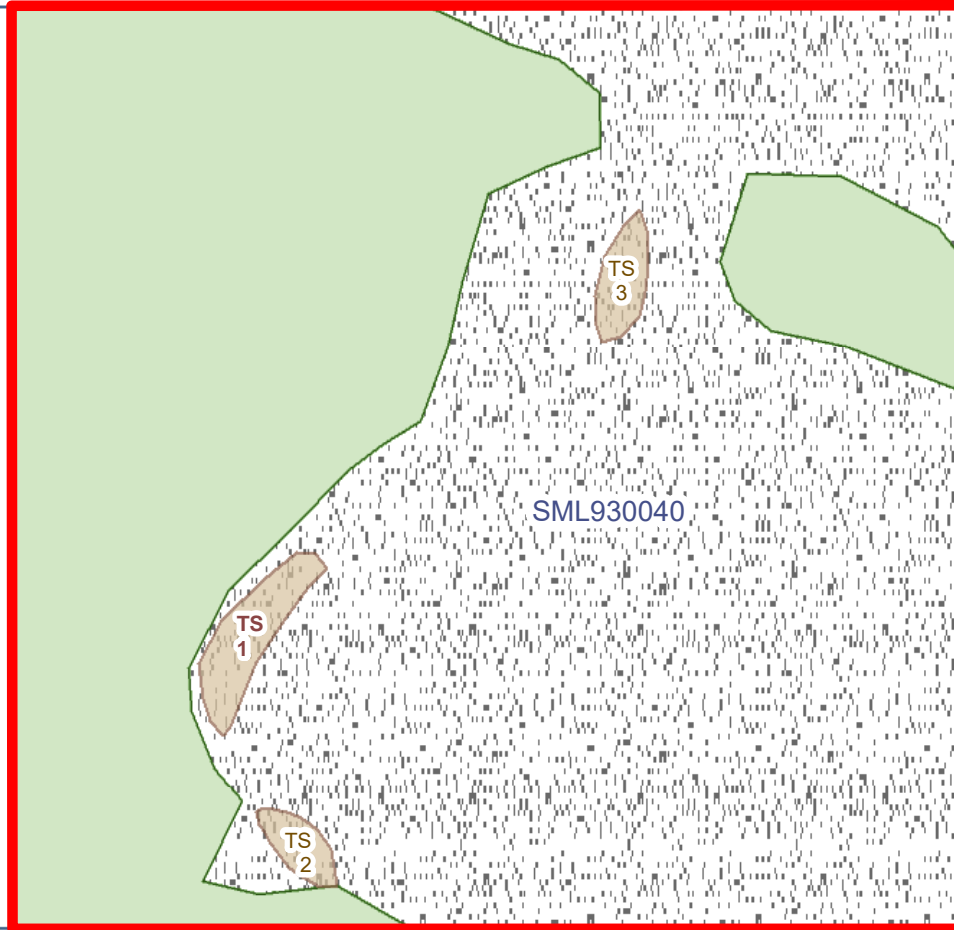
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61-7-4

NW24
61-7-4

DLO880883

SE23
61-7-4

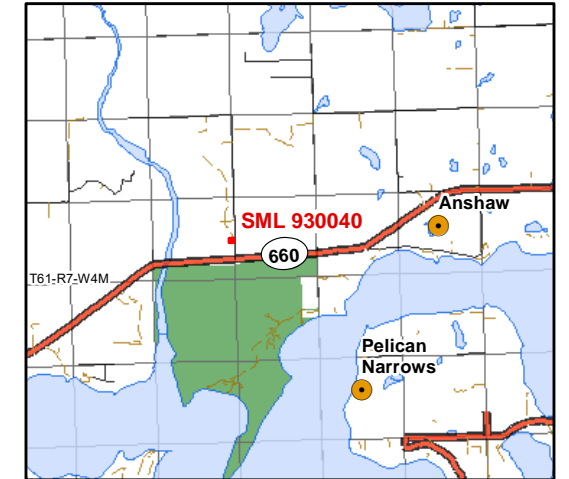
SW24
61-7-4



SML840073

MANTLE MATERIALS
GROUP LTD.
SML9340040
Current Conditions

M.D. of Bonnyville No. 87
WITHIN:
SE 23 TWP 61 RGE 7 W4M



LEGEND

- SML930040
- Disposition
- Topsoil Pile
- Undisturbed (0.36 Ha \ 0.89 Ac)
- Disturbed (0.51 Ha \ 1.26 Ac)

DATE:
May 29, 2021

BEARINGS:
Decimal Degrees
North Azimuth

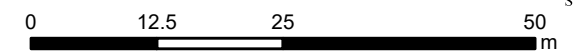
DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:750

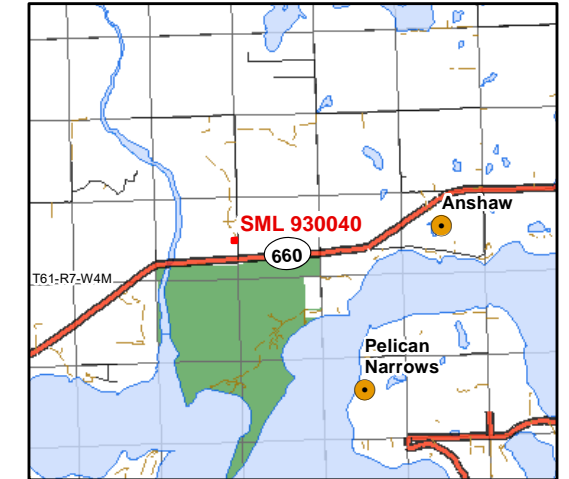


Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

Appendix B: Cross-Section Map

MANTLE MATERIALS
GROUP LTD.
SML9340040
Cross Sections

M.D. of Bonnyville No. 87
WITHIN:
SE 23 TWP 61 RGE 7 W4M



LEGEND

- ⊙ Cross Section Station
- Cross_Section
- SML930040
- Disposition
- Topsoil Pile
- Undisturbed
- Disturbed

DATE:
May 30, 2021

BEARINGS:
Decimal Degrees
North Azimuth

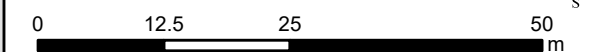
DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:750



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

NE23
61-7-4

NW24
61-7-4

DLO880883
⊙A1

⊙B1

SE23
61-7-4

⊙B2

SW24
61-7-4

SML840073

⊙A2

SML930040

TS 3

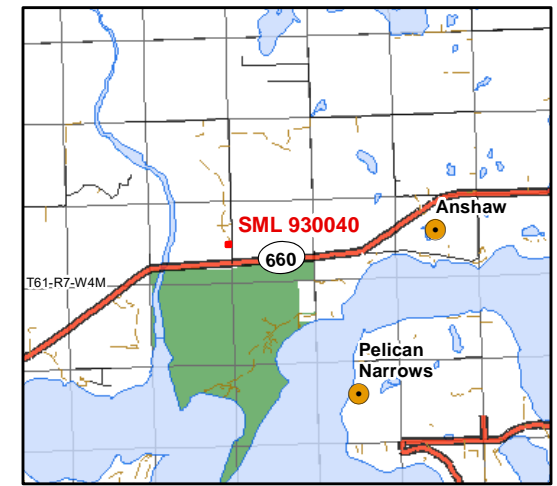
TS 1

TS 2

Appendix C: Conceptual Reclamation Map

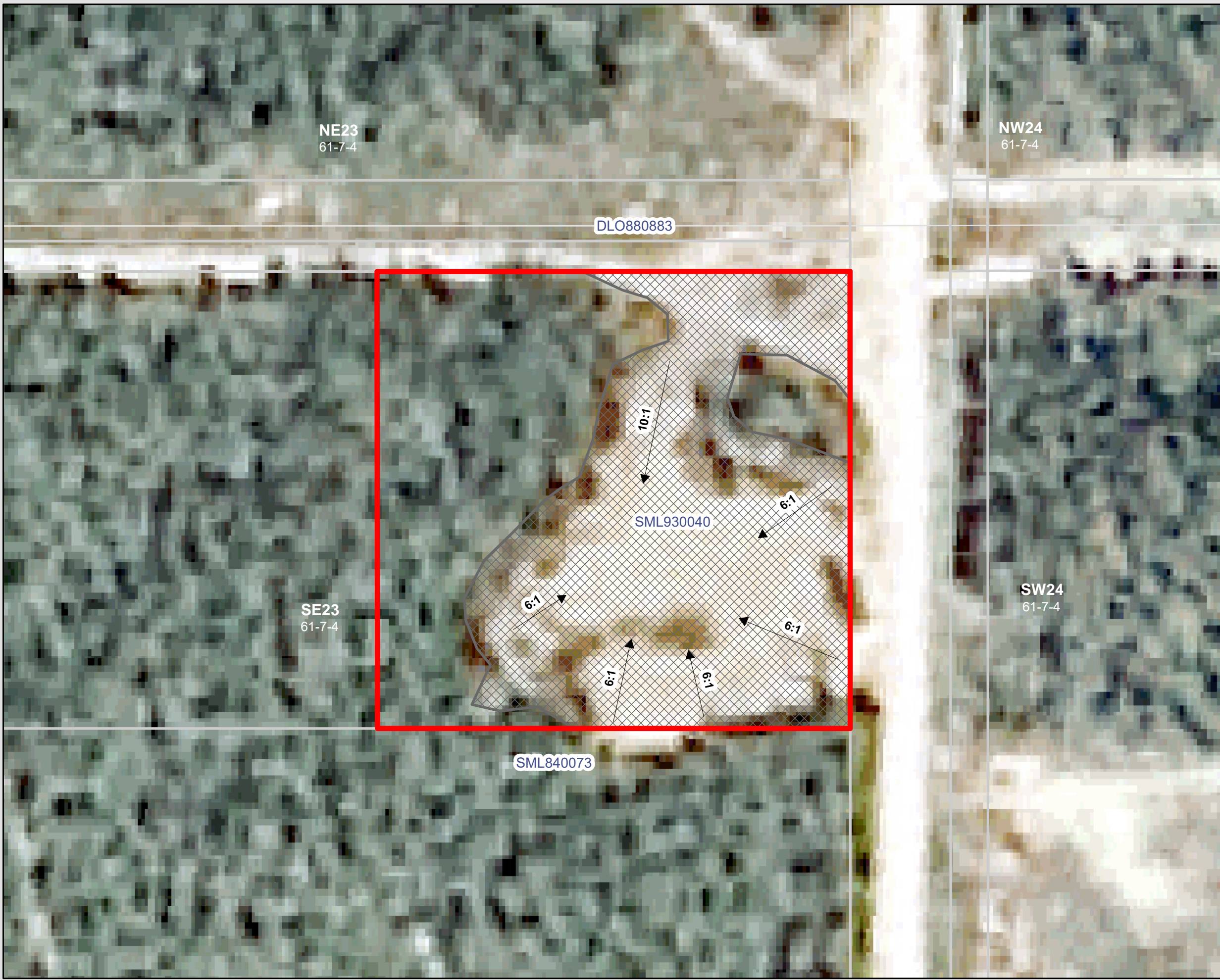
MANTLE MATERIALS
GROUP LTD.
SML9340040
Conceptual Reclamation

M.D. of Bonnyville No. 87
WITHIN:
SE 23 TWP 61 RGE 7 W4M

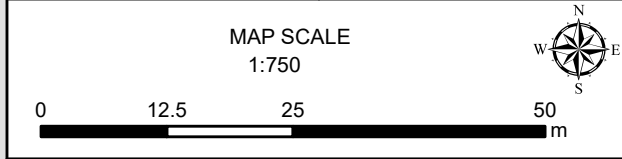


LEGEND

- Flow Arrow
- SML930040
- Disposition
- Disturbed (0.51 Ha \ 1.26 Ac)



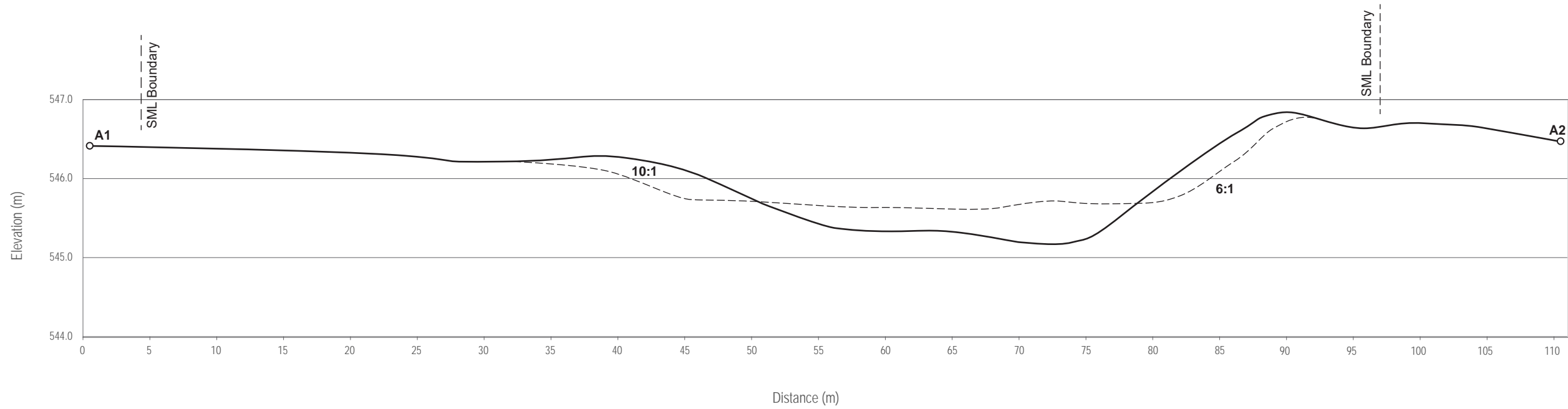
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Appendix D: Cross-Sections

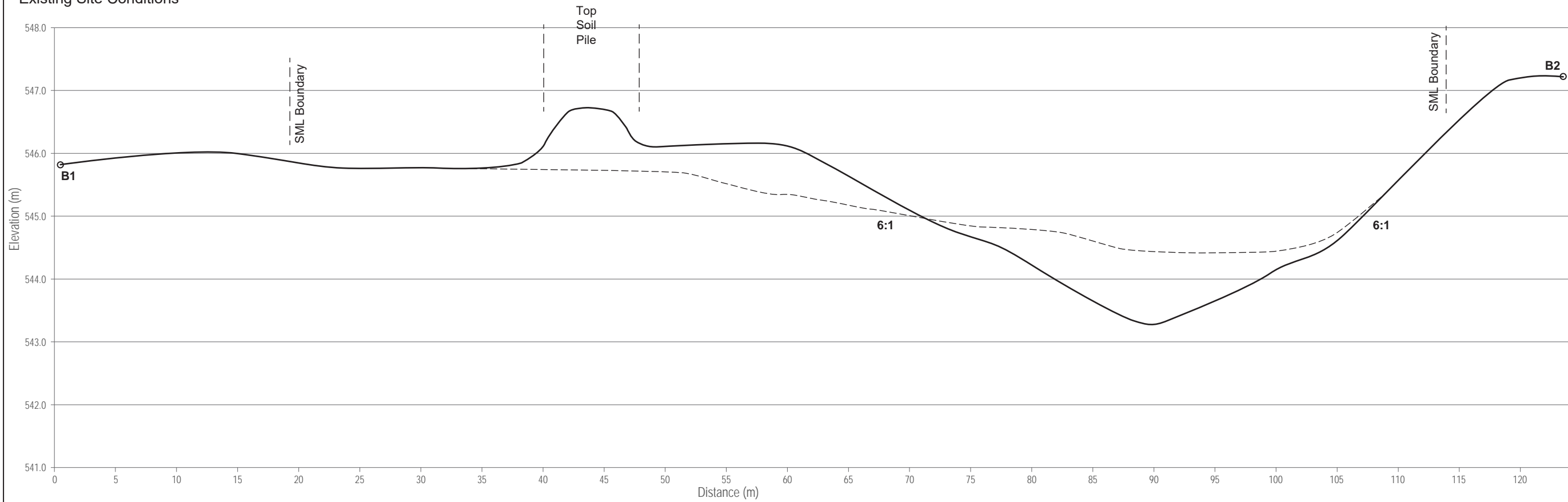
Cross Section A

Existing Site Conditions



Cross Section B

Existing Site Conditions



SML930040

Figure 1

Cross Section A
and
Cross Section B

M.D. of Bonnyville No. 87

WITHIN:

SEC 23 TWP 61 RGE 7 W4M

LEGEND

- Reclaimed Surface
- Excavated Surface
- Station

All Units in Metres / Variable Scale
Method of Data Capture (Profile): LiDAR 15
Coordinate System: NAD 1983, UTM Zone 12N
Created: May 23, 2021 By: 49 North Geospatial

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-05

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 15048-00-00 located at NE 24-056-07-W4M (Buksa Pit) in the County of St. Paul No. 19;

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

WHEREAS 302016 Alberta Ltd. owns the land on which Buksa Pit is location;

WHEREAS Harvey Buksa is a Director of 302016 Alberta Ltd.;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on October 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Buska Pit security Bond No. BND0015360 in the amount of \$50,442.14 expires December 12, 2020.

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 November 18, 2020, AEP sent a letter to JMB indicating they failed to replace financial security instruments on 7 pits that were registered to JMB and are located on private land, including the Buksa Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Buksa Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Buksa Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Buska Pit were as follows:

- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and

WHEREAS on February 23, 2021, the EPO had a conversation with the landowner, Harvey Buksa, who indicated that:

- JMB last operated Buksa Pit on or about summer 2018; and
- JMB has not communicated its intentions to reclaim or operate Buksa Pit;

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 JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Buksa Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

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

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, 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*;

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

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, 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 Buksa Pit, and shall not remove any stockpiled materials.

2. By April 13, 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 20, 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 Buksa 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 October 29, 2022 as the completion date.

- i. A 6 month monitoring and maintenance program commencing October 29, 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 Buksa 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 City of Spruce Grove in the Province of Alberta, this Thursday on 11th day of March, 2021.



April Franks,
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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No.1

to

ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-05

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No. EPO-EPEA-35659-05 (the "EPO") was issued to the Parties on March 11, 2021;

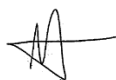
WHEREAS on April 14, 2021 JMB Crushing Inc. requested to change the date of the Plan's submission date from May 20, 2021 to June 11, 2021 in Clause 3 of the EPO;

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 Maxwell Harrison, Directory, North Region, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the EPO, the date of "May 20, 2021" to the EPO be deleted and replaced by "**June 11, 2021**".

DATED at the City of Edmonton in the Province of Alberta, this Tuesday on the 30th day of April 2021.



Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division, Northern 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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 2

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-05

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
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Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No.35659-05 (the "EPO") was issued to the Parties on March 11, 2021;

WHEREAS on May 1, 2021, JMB Crushing Systems Inc. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. ("Mantle");

WHEREAS on May 3, 2021 Amendment no.1 to the EPO was issued to the Parties;

WHEREAS on July 13, 2022, Mantle requested an amendment to the EPO, to allow it to “process and sell the large oversize rock material out of the Buksa pit 15048-03-00 (EPO 35659-05).”

WHEREAS Mantle has indicated that the “operations would be processing (sorting, breaking), loading and hauling of existing piles” between the dates of July 18, 2022 to October 15, 2022;

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 Maxwell Harrison, Director, North Region, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, **DO HEREBY ORDER**:

1. Clause 1 of the EPO be deleted and replaced with:
“The Parties shall not extract any aggregate material from the Pit.”
2. Clause 1a. be inserted after Clause 1 as follows:
“The Parties shall not remove any stockpiled aggregate material from the Pit except for the removal of no greater than 2000 cubic meters of stockpiled “large oversize rock material” from July 20, 2022 to October 15, 2022 from the areas within the Pit shown with a pink outline and labelled as ‘Oversize’ on the map in Appendix A to the Amendment;
3. A New Clause 1b. be inserted after Clause 1a as follows:
“The Parties shall provide notice to the Director by email no later than 7 days after the work described in Clause 1a. is complete. This notice shall include an estimate of the amount of material removed off site.”

DATED at the City of Edmonton in the Province of Alberta, this Tuesday on the 25th day of July 2022.

Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division, Northern 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.

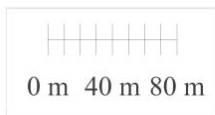
Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

Appendix A

Buksa Oversize Ops



NE 24-056-07-W4M

Buksa Pit

EPO-EPEA-35659-05 Reclamation and Remedial Plan

Registration No. 15048-03-00

NE 24-56-07-W4M

June 11, 2021

Prepared for

Mantle Materials Group Ltd.



11213 Winterburn Rd NW
Edmonton, AB T5S 2B2

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1.0 Introduction

Aspen Land Group was consulted by Mantle Materials Group Ltd. (Mantle) to prepare a reclamation and remedial plan as required under Environmental Protection Order (EPO) No. EPO-EPEA-35659-05 for the Buksa pit registered under EPEA Registration No. 15048-00-00.

Alberta Environment and Parks (AEP) issued the Order to JMB Crushing Systems Inc. on March 11, 2021. Note JMB has since been amalgamated into Mantle and Mantle will be responsible for fulfilling the requirements of the Order. Essentially the Order requires Mantle to suspend all work within the pit, to prepare and implement a reclamation and remedial plan committing to complete reclamation by October 29, 2022, implement a monitoring and maintenance program following reclamation, and submit progress reports to the AEP inspector. This report fulfills the requirement to prepare a reclamation and remedial plan prepared by a professional authorized to practice reclamation on private land. Drawings that illustrate current and reclaimed conditions are included in Appendix A.

2.0 Scope of Work

The objective of this project was to prepare a reclamation and remedial plan submitted to AEP by June 11, 2021. The plan includes all information outlined in Section 4 of the EPO. More specifically the goals of the project were to:

- Complete an on-site assessment to determine current operational and environmental conditions.
- Complete a volumetric assessment of stockpiled reclamation materials left in place.
- Complete analysis of the surface, subsurface and groundwater disturbance using aerial imagery.
- Prepare a reclamation plan that meets the requirements of the *EPO*.
- Prepare a monitoring and maintenance program to be implemented following reclamation commencing October 29, 2022 at the latest.

3.0 Results

3.1 Location and Current Site Conditions

The pit is located in the County of St Paul, approximately 3.8 km south of Elk Point, Alberta, in NE 24-56-7-W4M, along the southern side of the North Saskatchewan River, just off Highway 41 (the Site). A site assessment was completed on May 27, 2021 by Jeanette McGlynn and Michele Corry, P.Ag. The



registration boundary is 17.62 ha of which 12.66 ha has been disturbed by the mining operation. Within that 12.66 ha, and 3.48 ha has been reclaimed.

3.2 Topography

The Site is located at a transition between hummocky, medium relief slopes (9%) and the North Saskatchewan River Valley with inclined to steep, high relief slopes (35%). The landscape slopes gently to the north with slopes averaging 5-9% and elevations that range from 538 m to 550 m as shown on Drawing No. 3-8.

3.3 Drainage

The North Saskatchewan River is approximately 600 m to the north of the Site and an intermittent drainage course is located immediately south of the pit and flows east into a tributary of the North Saskatchewan River.

The Site has a general north aspect and is well drained. Groundwater has not been intercepted during the mining process and there have been no detected water impoundment issues during the life of the pit. Surface runoff flows north toward the North Saskatchewan River or infiltrates into the ground. There are no wetlands on or adjacent to the pit.

3.4 Soils

The soils in the southern three LSDs are classified as an Orthic Black Chernozem on gravel or gravelly coarse textured (S, LS, SL) undifferentiated materials. The dominant series is Ferintosh (FTH). The soils in the northern LSD are classified as Cumulic Humic Regosol on medium textured (L, SiL) sediments and Eluviated Black Chernozem on medium textured (L, SiL) sediments, both deposited by wind and water. The dominant series is Ponoka.

The pre-disturbance topsoil depth ranged from 6 cm to 12 cm, averaging 8 cm as included in the 2011 Buksa Registration Application by Millennium EMS Solutions Ltd. Four locations in the reclaimed area were assessed on May 27, 2021, with topsoil depths ranging from 14 cm to 28 cm with a sandy loam texture.

Topsoil has been stripped and stockpiled onsite and in total there are 10,491 cubic metres remaining in stockpile. There is no subsoil stockpiled as it was observed by Millennium EMS Solutions Ltd that the topsoil transitioned into the gravel aggregate near the surface with no subsoil available for salvage, which would align with the Regosol classification. Any subsoil present would have been stripped together with the topsoil. Table 1 outlines the volume of soil currently in stockpile and stockpile locations are shown on Drawing No. 2-8.



Table 1. Volume and Composition of Reclamation Stockpiles		
Stockpile	Composition	Volume (m ³)
1	Topsoil	2641
4	Topsoil	7021
5	Topsoil	829
Total		10,491

3.5 Vegetation

The Site is located within the Dry Mixedwood subregion which is characterized by the presence of aspen and white spruce as climax species in association with agricultural practices. The Site is cultivated for annual cereal crops. Land to the west consisted of typical aspen forest vegetation include trembling aspen, prickly rose, veiny meadow rue, creamy pea vine, buck brush, wild lily of the valley, smooth brome, northern bedstraw, kentucky bluegrass, dandelion, and false solomon seal.

3.6 Land Capability

The Canadian Land Inventory classification for the Site is a Class 2, SubClass C and Class 6, SubClass T with a 40/60 split respectively. The Class 2 soils are in the north-eastern portion of the NE-quarter section while the Class 6 soils are in the south-western portion.

Soils in Class 2 have moderate limitations that restrict the range of crops or require special conservation practices and soils in Class 6 are only capable of producing perennial forage crops, and improvement practices are not feasible. Sloping requirements for side slopes in Class 2 are that they are reclaimed to no steeper than 20:1, while Class 6 can have slopes no greater than 3:1.

Subclass C indicates an adverse climate where the land is adversely affected by a lack of water due to inherent soil characteristics and SubClass T indicates an adverse topography with slopes steep enough to incur a risk of water erosion or to limit revegetation.

4.0 History of Surface, Subsurface, and Groundwater Disturbance

Typical disturbance of the surface and subsurface has occurred as part of the excavation of in-situ aggregate. The total historic disturbance is 17.62 hectares. Of that 17.62 hectares, 3.48 ha has already been reclaimed and 12.66 ha is considered active.

The subsurface in-situ aggregate pit was excavated to a depth of up to 5 meters. No evidence has been found that shows groundwater disturbance. There are no wetlands or changes in drainage on Site.

An aerial photo review was completed to determine the historical disturbance and is outlined in Table 2 and shown on Drawings No. 4-8 to 5-8.



Table 2. Aerial Photo Review of Historical Disturbance	
Year	Summary of Activities
1980	<ul style="list-style-type: none"> • Site prior to pit activity. Patch of trees present within northern and southwestern portion of the registered pit boundary. Land partially cultivated.
1981	<ul style="list-style-type: none"> • Pit has been opened up in the southeast corner. • Rest of land cultivated apart from forested areas.
1982	<ul style="list-style-type: none"> • No further changes evident
1985	<ul style="list-style-type: none"> • Pit activity extended to the north and east. • Highway 41 constructed and includes portion of pit area. • Rest of land cultivated apart from forested areas.
1991	<ul style="list-style-type: none"> • Pit activity extended to the patch of trees in the north
1997	<ul style="list-style-type: none"> • No further changes evident
2005	<ul style="list-style-type: none"> • No further changes evident
2016	<ul style="list-style-type: none"> • Pit activity extended north and west. Trees in northern portion mined through and southwest trees remain untouched.
2020 (Drawing No. 2-8)	<ul style="list-style-type: none"> • Northern portion of pit has been reclaimed. • Disturbance extends south of approach • Southwest portion of the pit remains undisturbed

5.0 Adjacent Land Use

Overall land use in the general area is agricultural and consists of improved pasture and forested white zone with some oil and gas development. More specifically, the lands to the north and east are used for pasture, lands to the west are forested, and lands to the south are being utilized as improved pasture but also contain a third-party gravel pit. The North Saskatchewan River runs north of the Site while Highway 41 runs along the western side of the Site. There are no active wells within or adjacent to the Site.

6.0 Marketable Aggregate

There is no marketable material remaining on Site.

7.0 End Land Use

The end land use will be cultivated agricultural land used for annual cereal crops.



8.0 Reclamation Objective

The reclamation objective is to reclaim the pit to agriculture end land use that meets equivalent land capability so that a reclamation certificate can be issued and the EPEA registration can be cancelled. More specifically, the goals of reclamation are:

1. To restore the land to an agricultural landscape with appropriate slope gradients without any ponded water remaining in place.
2. Ensure positive surface water flow towards the North Saskatchewan River.
3. Replace an even depth of topsoil suitable for agricultural practices.

8.1 Reclamation Activities

Partial reclamation has occurred within 3.48 ha of the northern portion of the pit and has been incorporated back into the landowners' cultivation schedule. There are no site-specific anomalies that need to be addressed within this area. Soils were assessed at four locations within the reclaimed area and found to have depths ranging from 14 cm to 28 cm and an average depth of 17.75 cm.

8.2 Equipment Type

Typical heavy equipment will be used to complete the earthworks portion of the reclamation activities. This includes a tracked excavator, rock trucks, and dozer.

Seeding will be left to the discretion of the landowner as the land is returned into his annual crop rotation.

8.3 Recontouring

Recontouring of the landscape will be completed to establish slopes that naturally integrate with the surrounding landscape. The open excavation in the centre of the pit will be filled with reject gravel materials and sloped to tie into the surrounding landscape. Slopes along the pit boundary will be constructed at 3:1 or gentler and internal slopes will be constructed to 6:1 or gentler. Positive drainage towards the North Saskatchewan River to the north will be maintained. Reclaimed slopes are shown on Drawings No. 6-8 and 7-8.

The eastern boundary slope is currently a nesting site for barn swallows. Disturbance of the area from reclamation will not occur between the nesting period which is late April to late August as per the *Migratory Bird Convention Act*.



8.4 Topsoil Placement

Topsoil placement will target at a minimum, 80% of the pre-disturbance thickness as based on the industry norm of expected soil losses during soil handling activities. Original soil depths were quite shallow, averaging 8 cm.

Approximately 9.18 ha remains in a disturbed state. There are three topsoil piles with a total volume 10,491 m³. Based on the area requiring topsoil and the volume of topsoil available, the calculated topsoil thickness would be 11 cm, which is greater than the average pre-disturbance soil depth recorded by Millennium EMS Solutions in 2011. In addition, 3.48 ha has already been reclaimed with topsoil depths averaging 17.75 cm, which also exceeds the pre-disturbance topsoil depth of 8 cm.

Topsoil will be replaced over reject or overburden once final contouring is complete since no subsoil exists at this location. Any areas exhibiting compaction will be alleviated prior to the replacement of the topsoil layer. Topsoil will be replaced as evenly as possible and disked to break up the soil and improve soil granulation before seeding. Topsoil placement activities will be supervised and monitored by a competent individual with experience in earthworks operations.

8.5 Revegetation

The Site will be incorporated back into the landowners crop rotation after soils have been replaced.

9.0 Monitoring and Maintenance Program

As per the EPO requirements, a six-month monitoring and maintenance program will be implemented commencing October 29, 2022 once reclamation is complete. The program scope will be to monitor the success of the implemented activities and identify the need for any maintenance to meet the reclamation objectives.

The landscape will be inspected for erosion, subsidence, and positive drainage. Revegetation efforts will be monitored for plant emergence, health, and viability, while weedy species will be monitored and controlled when required outside of the farmer's practice.

Maintenance activities required to address any issues found in the monitoring portion of the program will be implemented in the applicable season. Maintenance work will be dependent upon the reclamation issue identified but may include corrective earthworks, decompaction, weed control measures, or soil amendments.



Further maintenance will be up to the discretion of the landowner as he will incorporate his own weed management and fertilization program to the land.

10.0 Schedule

The schedule of reclamation activities over the next two years is outlined below in Table 3.

Table 3. Schedule of Activities for Reclamation			
Year	Activities covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Complete the major recontouring noting that the eastern boundary needs to remain undisturbed between late April and late August due to nesting birds.	December 15 th
2022	EPO	Complete all remaining recontouring activities and replace topsoil.	July 15 th
2022	EPO	Assess soil stability	September 15 th
2022	EPO	Address any shortfalls discovered from assessment.	September 20 th
2022	EPO	Begin six-month monitoring requirement as per the EPO.	October 29 th or earlier if final reclamation completed earlier
2023	EPEA	Assess soil stability after spring thaw.	May 15 th
2023	EPEA	Apply for a reclamation certificate that will go towards terminating the registration.	November 1 st



11.0 Closure

This Reclamation and Remedial Plan has been prepared by Aspen Land Group for the sole benefit of Mantle Materials Group Ltd. This document may not be used by any other person or entity, with the exception of Alberta Environment and Parks, without the express written consent of Aspen Land Group Inc. and Mantle Materials Group Ltd. Any use of this report by a third party, or any reliance on decisions made based on it, or damages suffered as a result of the use of this report are the sole responsibility of the user.

The information and conclusions contained in this report are based upon work undertaken by trained professional and technical staff in accordance with generally accepted scientific practices current at the time the work was performed. The conclusions and recommendations presented represent the best judgment of Aspen Land Group Inc. based on the data obtained. Due to the nature of the data available, Aspen Land Group Inc. cannot warrant against undiscovered environmental liabilities. Conclusions and recommendations presented in this report should not be considered legal advice.

Prepared by:

Aspen Land Group Inc.
11213 Winterburn Road NW
Edmonton, AB T5S 2B2

Written by:



Jeannette McGlynn

Reviewed by:

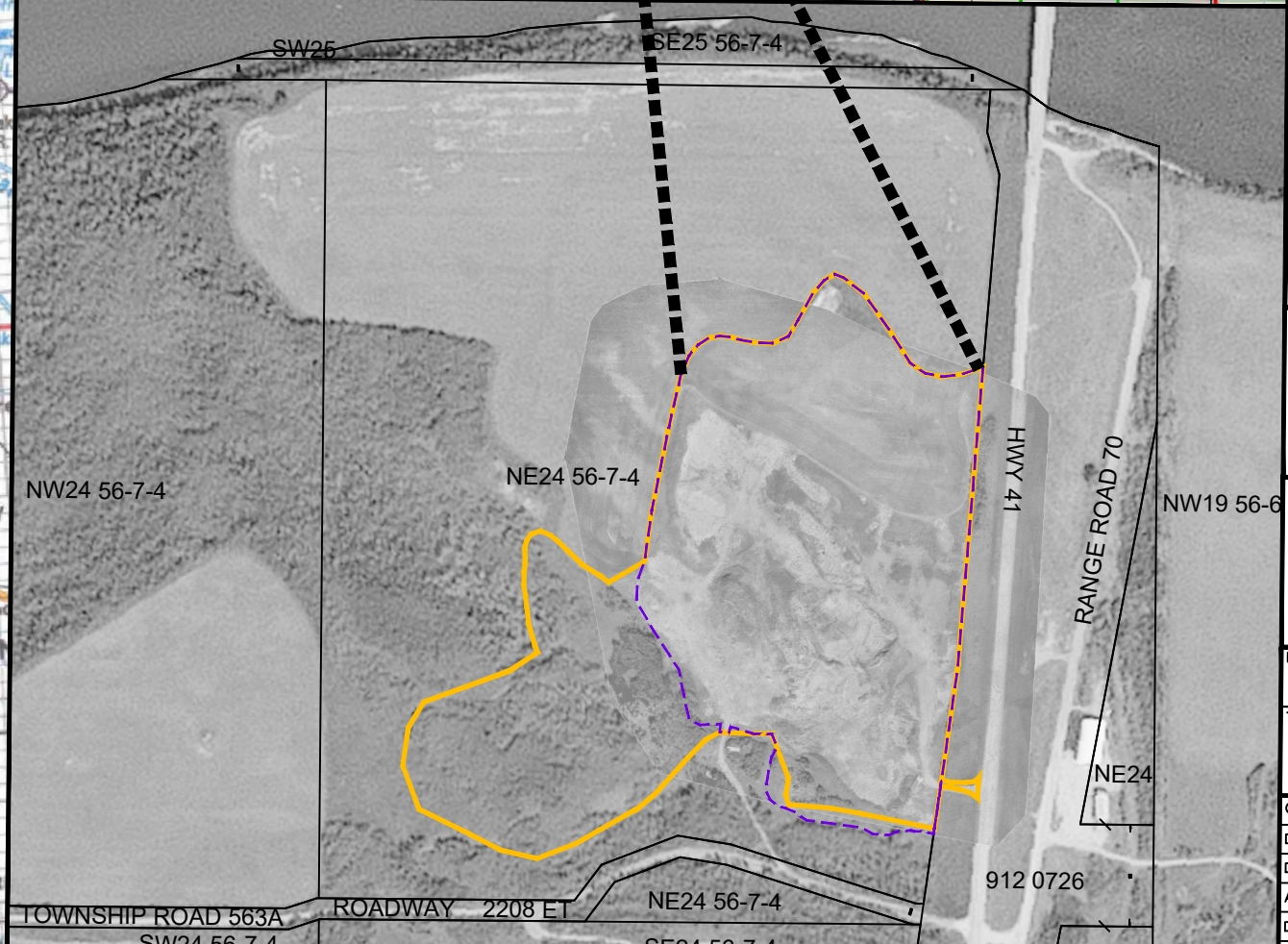
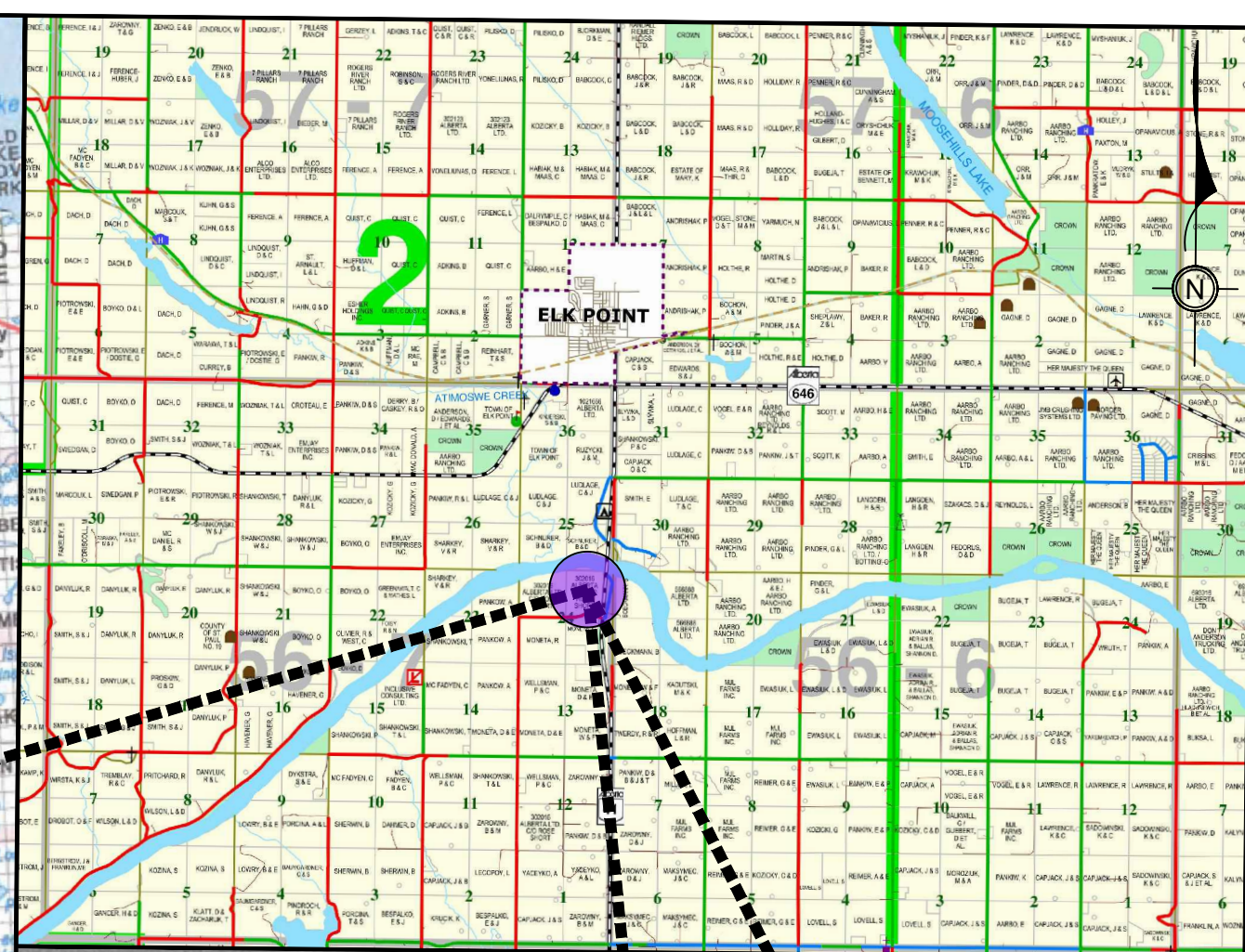
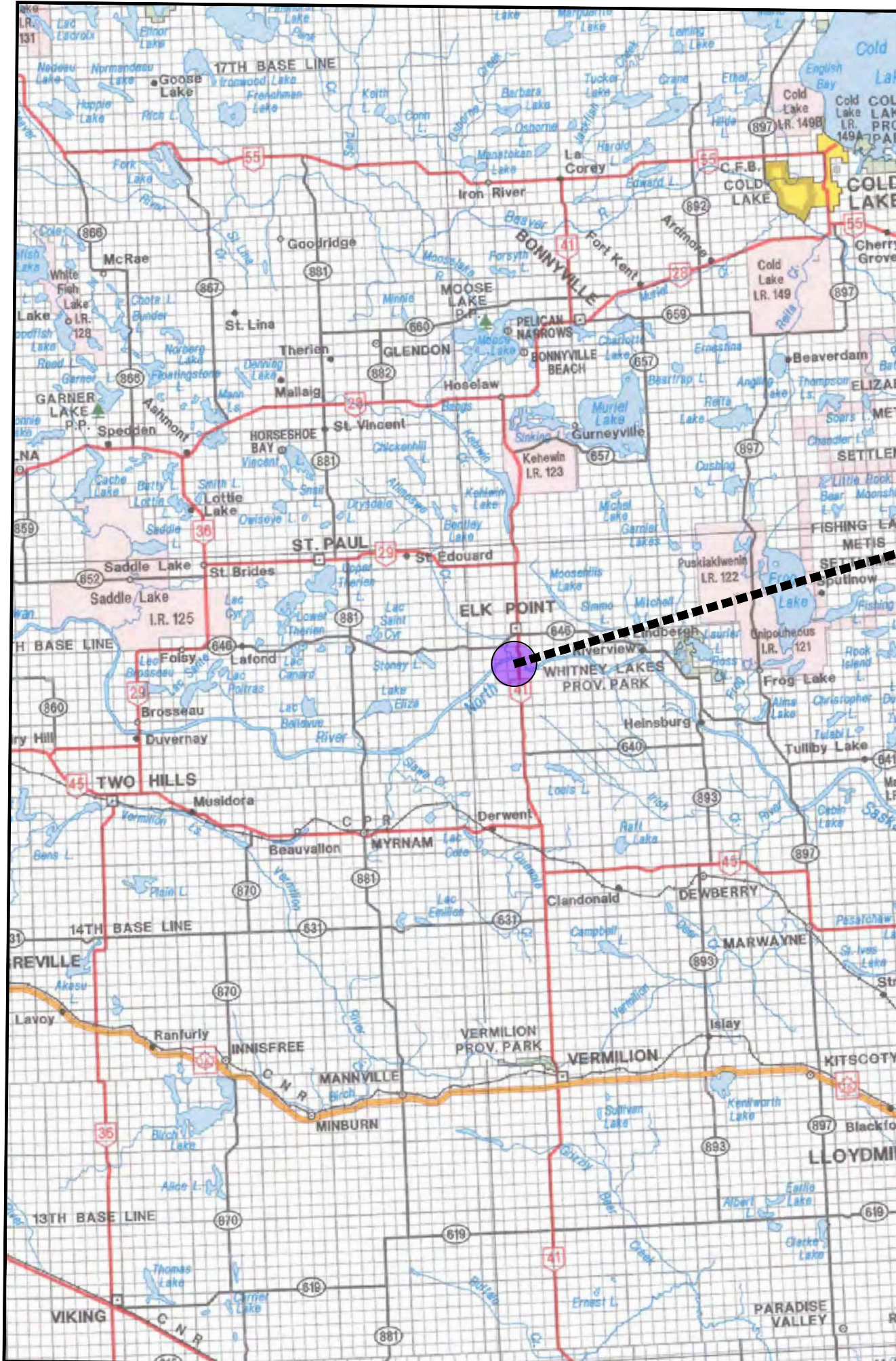


Michele Corry, P.Ag.



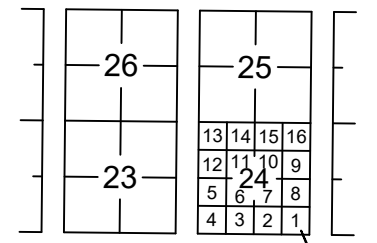


Appendix A: Drawings



LEGAL LAND DESCRIPTION

NE 24-56-07 W4M



LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- CURRENT DISTURBANCE AREA/PIT BOUNDARY (12.66 ha)
- REGISTRATION BOUNDARY (17.62 ha)

Prepared By



Client

MANTLE MATERIALS GROUP LTD.

Project

BUKSA PIT

Title

LOCATION PLAN

Checked By: M. CORRY & J. MCGLYNN

Scale: NTS

Designed By: M. CORRY & J. MCGLYNN

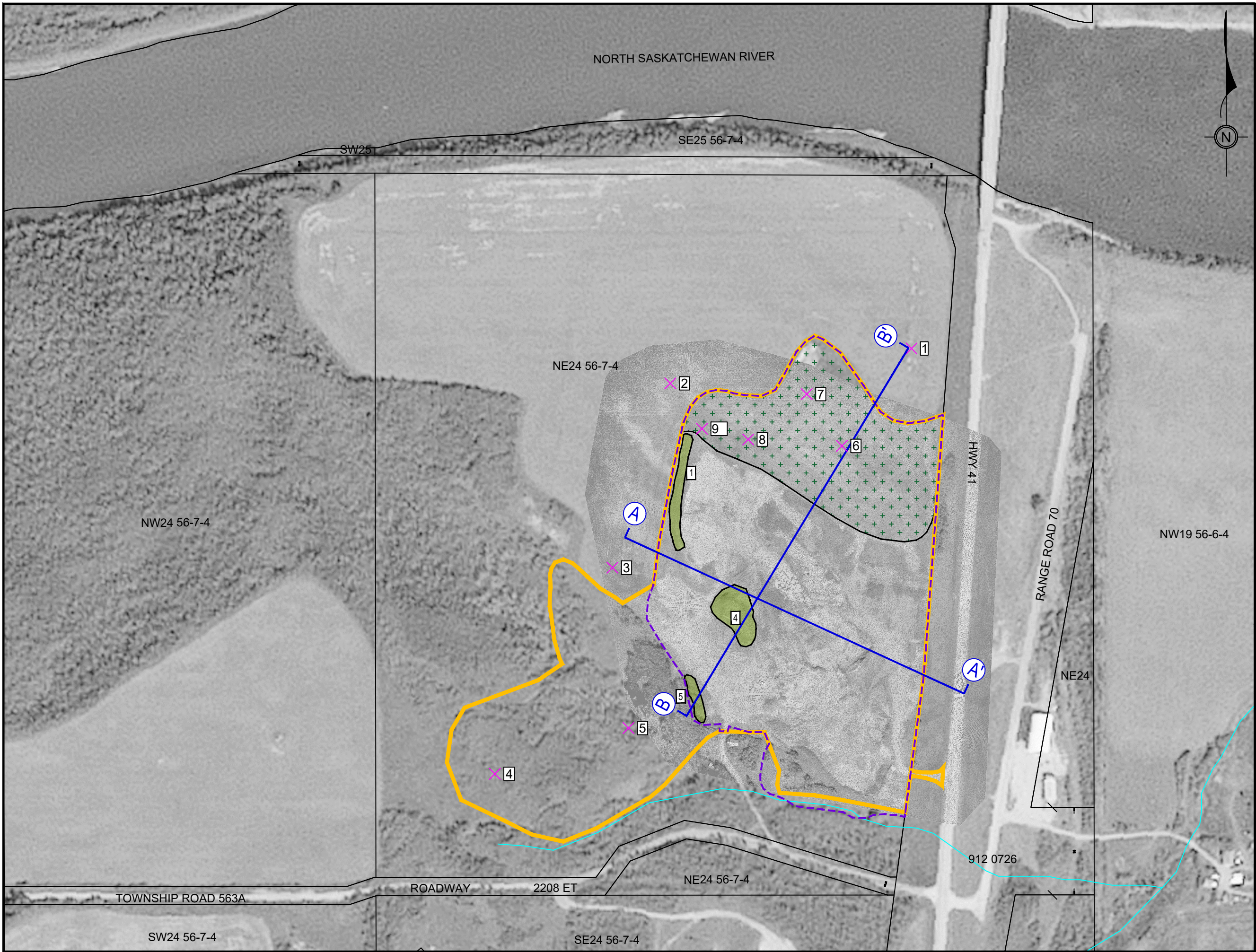
Drawing No.

Drawn By: T. FOY

Air Photo: 2016/2020

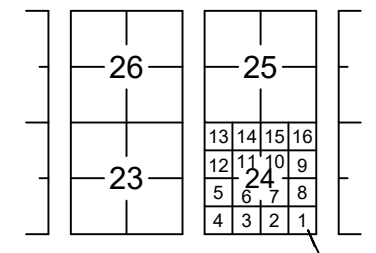
Date: JUNE 2, 2021

PO #: 21-017



LEGAL LAND DESCRIPTION

NE 24-56-07 W4M



LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- CURRENT DISTURBANCE AREA/PIT BOUNDARY (12.66 ha)
- REGISTRATION BOUNDARY (17.62 ha)
- WATERCOURSES
- RECLAMATION TOPSOIL PILES
- RECLAIMED AREA (3.48 ha)
- ASSESSMENT POINT LOCATIONS

Prepared By



Client

MANTLE MATERIALS GROUP LTD.

Project

BUKSA PIT

Title

EXISTING CONDITIONS

Checked By: M. CORRY & J. MCGLYNN

Scale: 1: 4000

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

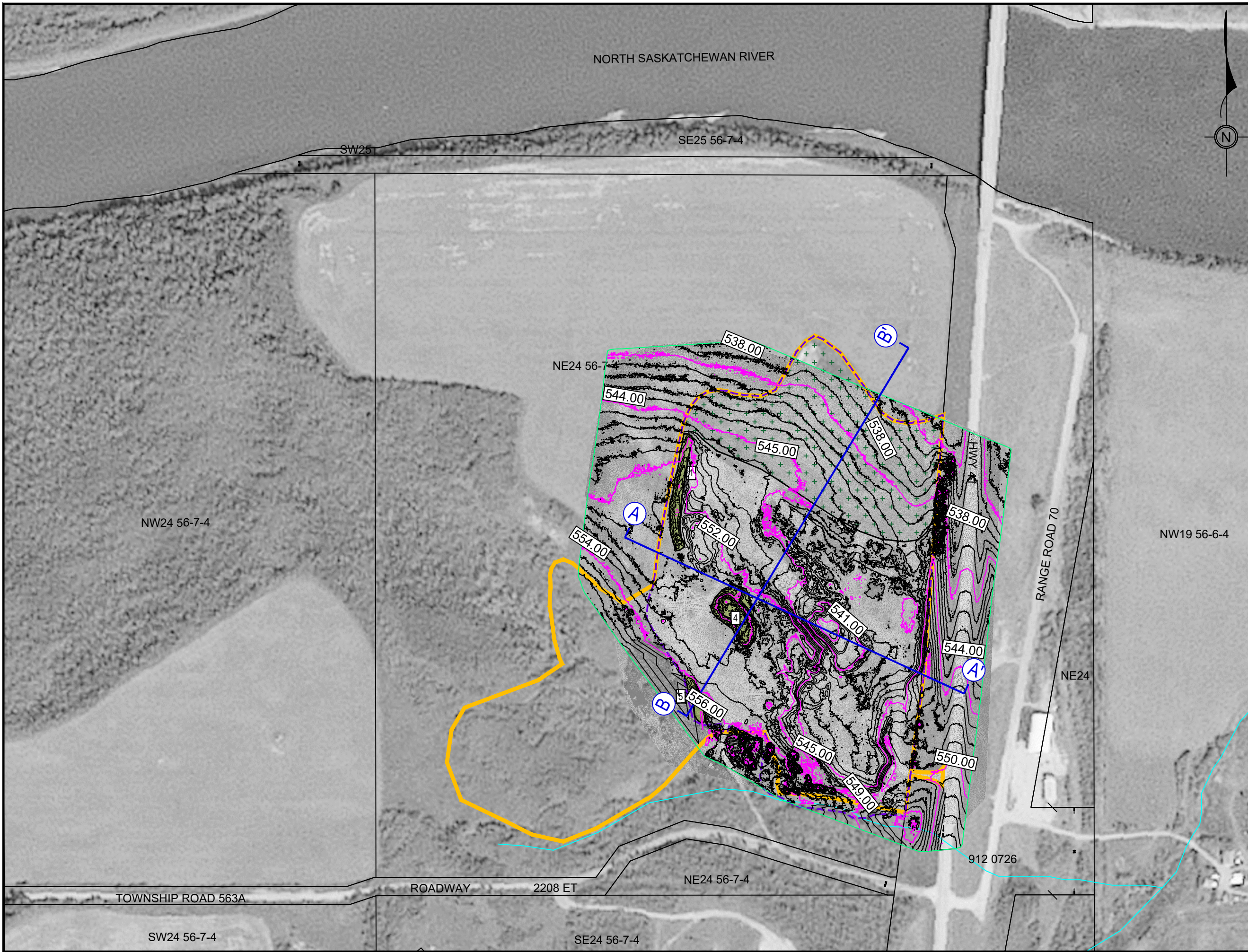
Drawn By: T. FOY

2 - 8

Air Photo: 2016/2020

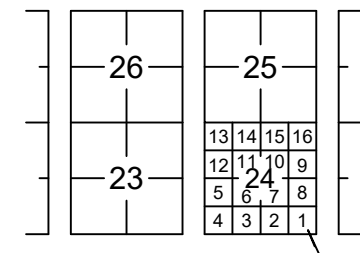
Date: JUNE 2, 2021

PO #: 21-017



LEGAL LAND DESCRIPTION

NE 24-56-07 W4M



LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- CURRENT DISTURBANCE AREA/PIT BOUNDARY (12.66 ha)
- REGISTRATION BOUNDARY (17.62 ha)
- WATERCOURSES
- RECLAMATION TOPSOIL PILES
- PARTIALLY RECLAIMED AREA (3.48 ha)

Prepared By



Client

MANTLE MATERIALS GROUP LTD.

Project

BUKSA PIT

Title

CONTOUR PLAN

Checked By: M. CORRY & J. MCGLYNN

Scale: 1: 4000

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

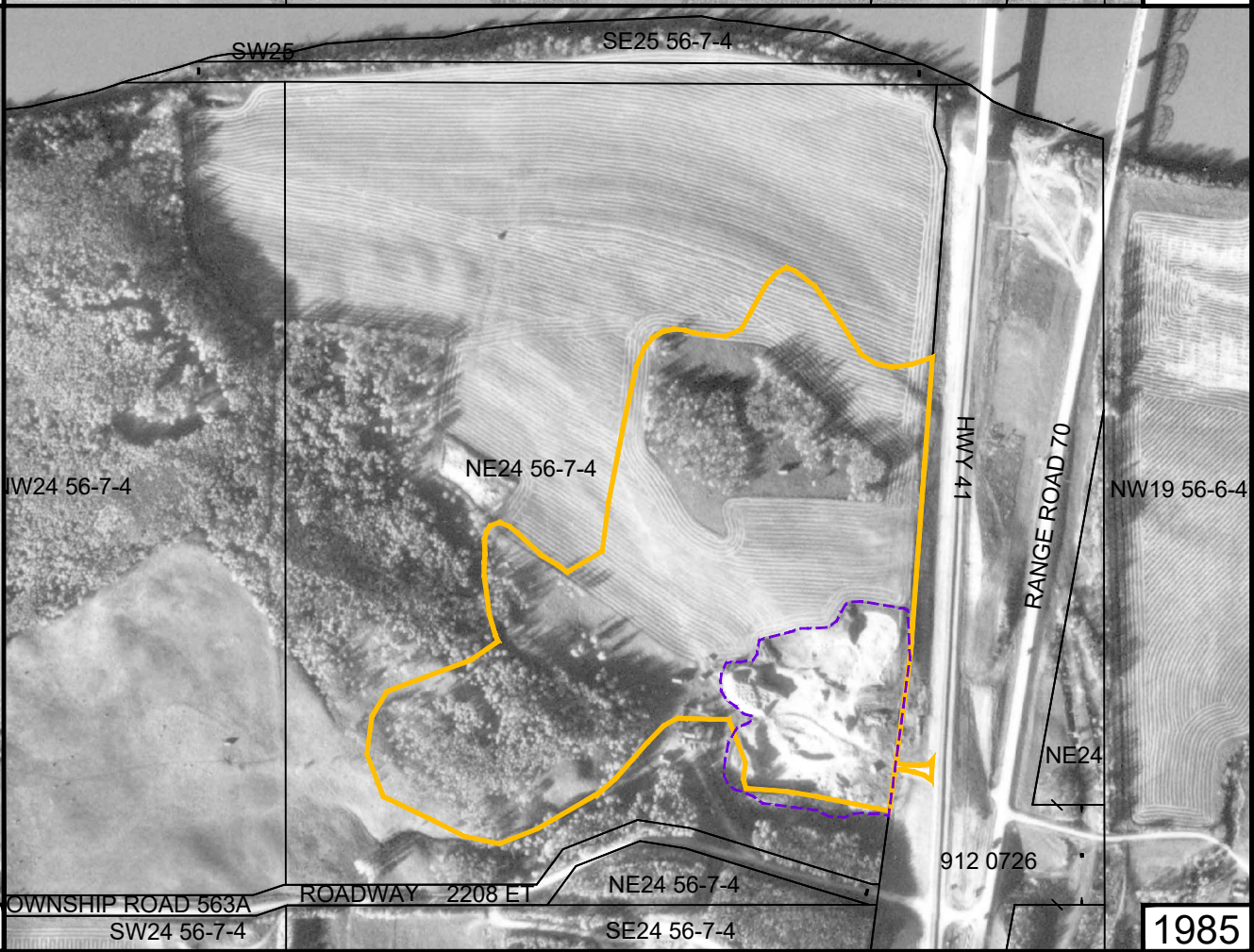
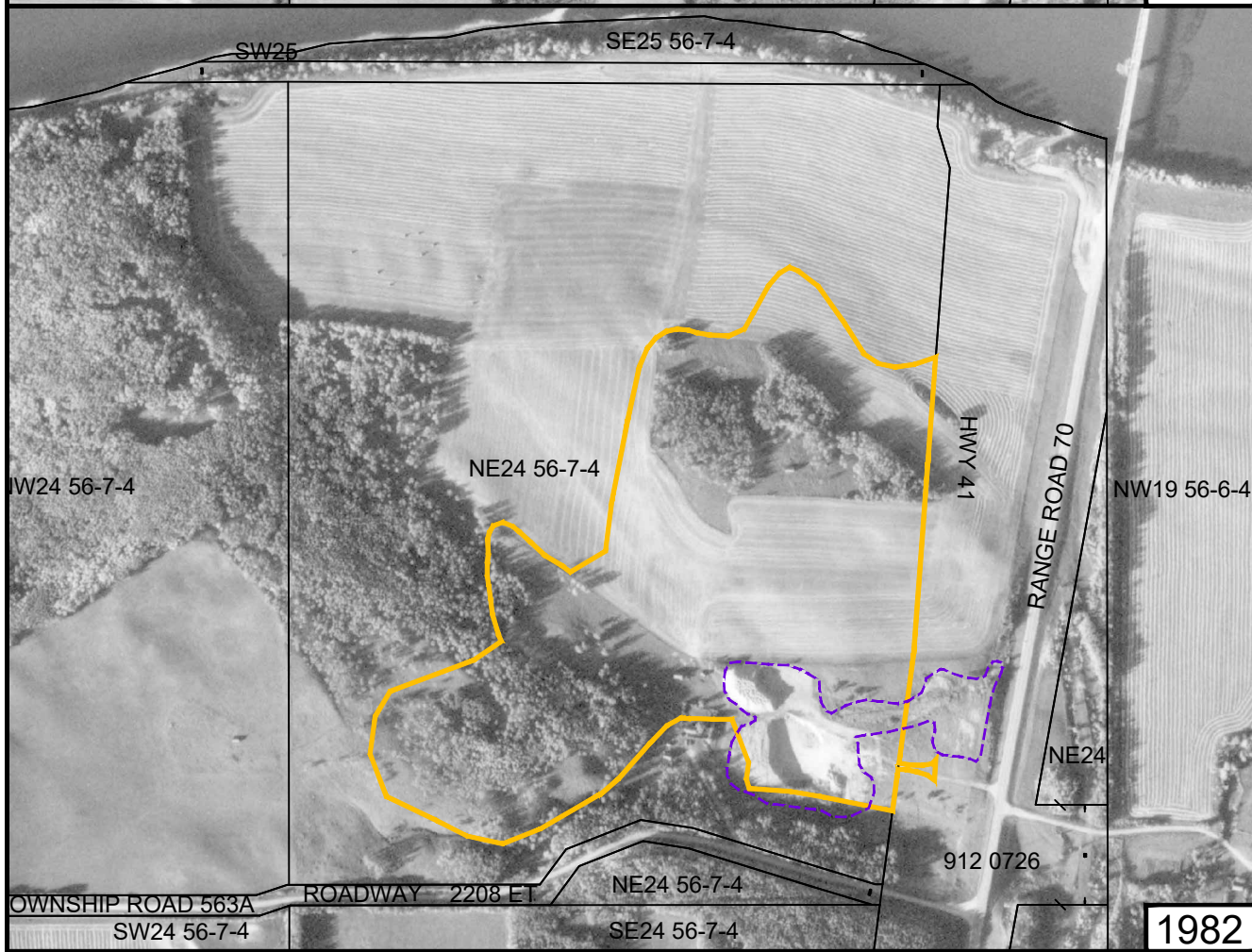
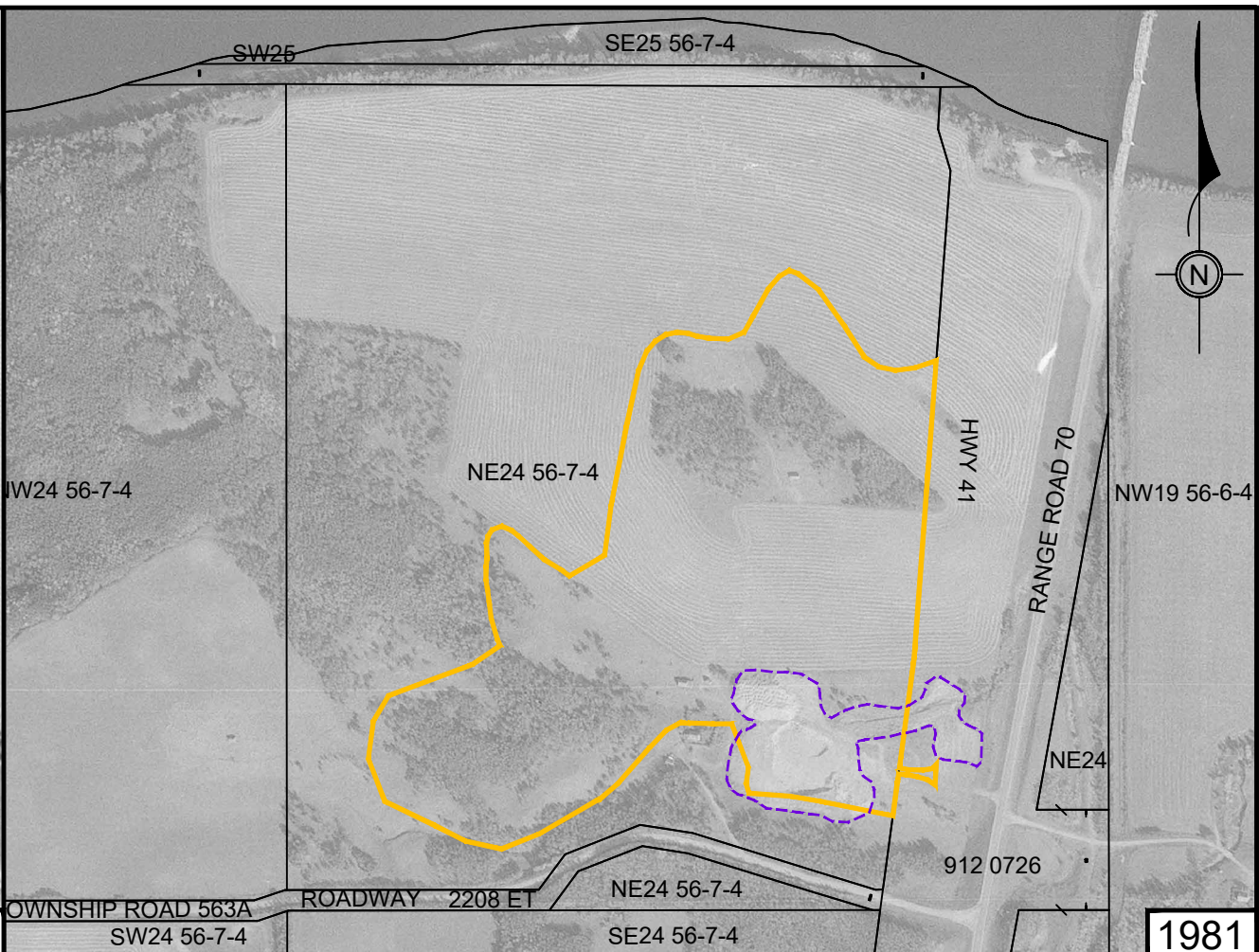
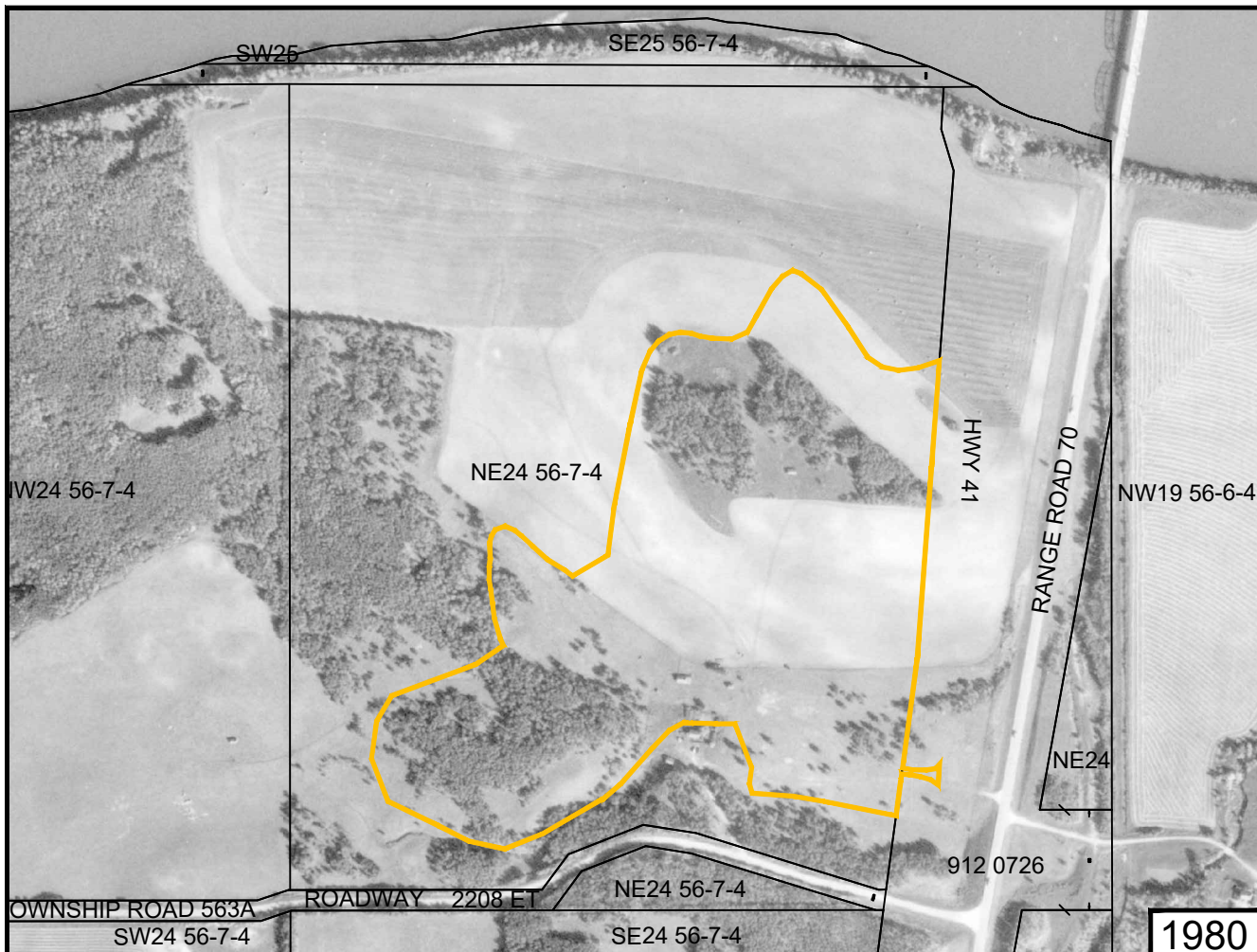
Drawn By: T. FOY

Air Photo: 2016/2020

Date: JUNE 2, 2021

PO #: 21-017

3 - 8



LEGAL LAND DESCRIPTION
NE 24-56-07 W4M

26	25
23	13 14 15 16 12 11 10 9 5 6 7 8 4 3 2 1

LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- REGISTRATION BOUNDARY (17.62 ha)
- DISTURBANCE AREA

AREA TABLE SHOWING PIT DISTURBANCES WITHIN NE 24-56-07 W4M FROM 1980 - 1985

YEAR	HECTARES	ACRES
1980	N/A	N/A
1981	2.04	5.04
1982	2.27	5.61
1985	3.02	7.46

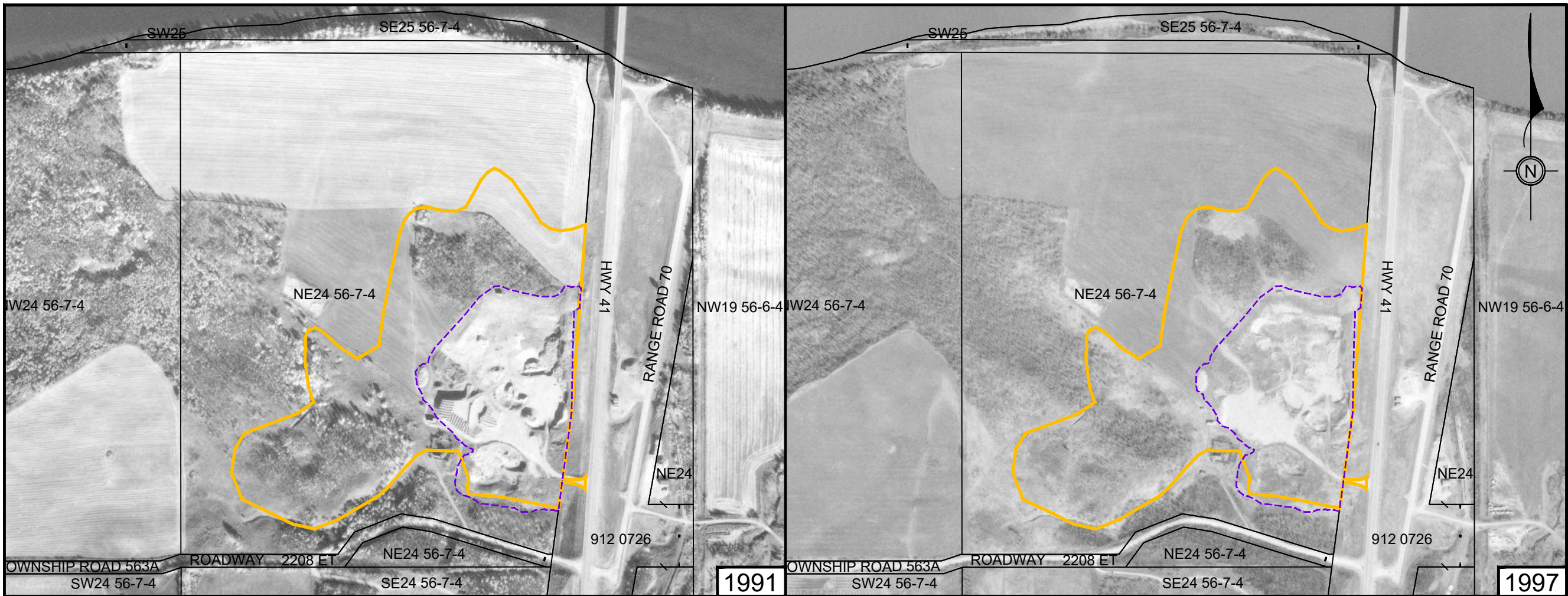
Prepared By

Client
MANTLE MATERIALS GROUP LTD.

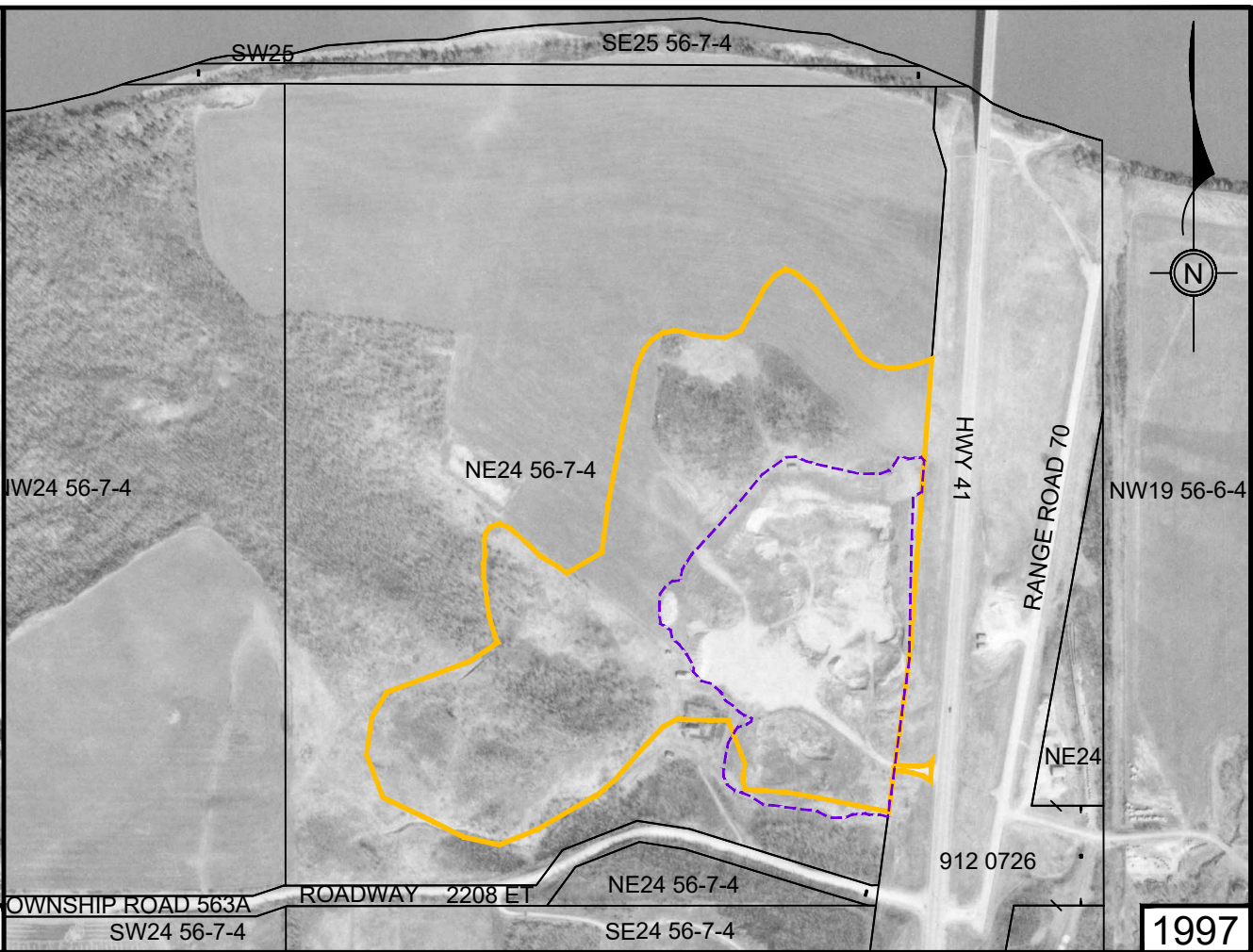
Project
BUKSA PIT

Title
AERIAL PHOTOGRAPHY HISTORICAL OVERVIEW (1980 - 1985)

Checked By: M. CORRY & J. MCGLYNN	Scale: 1: 7000
Designed By: M. CORRY & J. MCGLYNN	Drawing No.
Drawn By: T. FOY	4 - 8
Air Photo: AS SHOWN	
Date: JUNE 2, 2021	
PO #: 21-017	



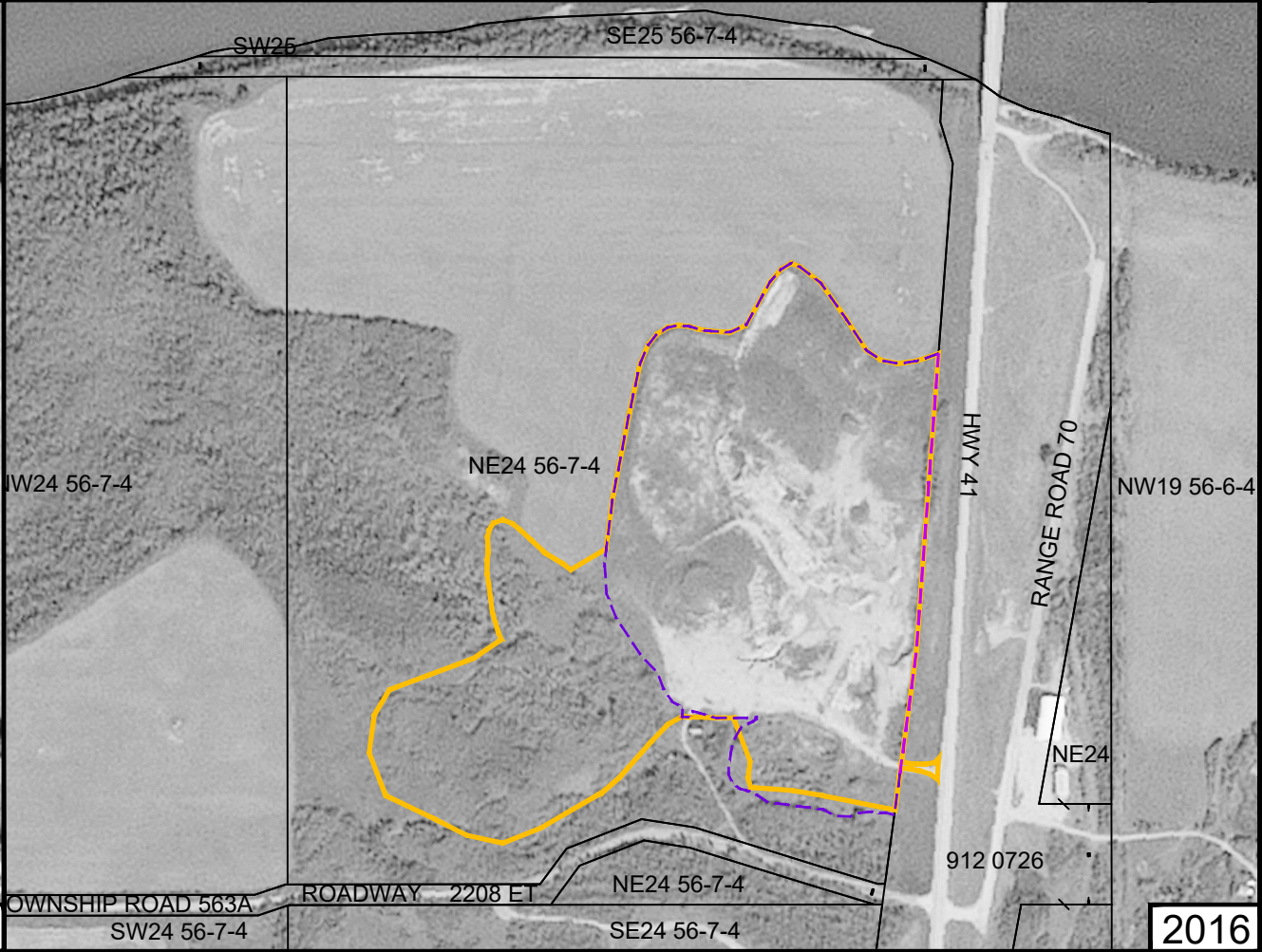
1991



1997



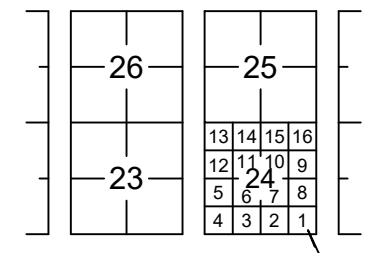
2005



2016

LEGAL LAND DESCRIPTION

NE 24-56-07 W4M



LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- REGISTRATION BOUNDARY (17.62 ha)
- DISTURBANCE AREA

AREA TABLE SHOWING PIT DISTURBANCES WITHIN NE 24-56-07 W4M FROM 1991 - 2016

YEAR	HECTARES	ACRES
1991	6.49	16.04
1997	6.51	16.09
2005	6.51	16.09
2016	12.45	30.77

Prepared By



Client

MANTLE MATERIALS GROUP LTD.

Project

BUKSA PIT

Title

AERIAL PHOTOGRAPHY HISTORICAL OVERVIEW (1991 - 2016)

Checked By: M. CORRY & J. MCGLYNN

Scale: 1: 7000

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

Drawn By: T. FOY

5 - 8

Air Photo: AS SHOWN

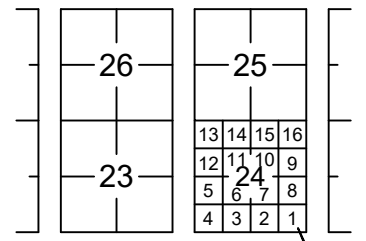
Date: JUNE 2, 2021

PO #: 21-017

SCALE:
V=1:400
H=1:2000

LEGAL LAND DESCRIPTION

NE 24-56-07 W4M

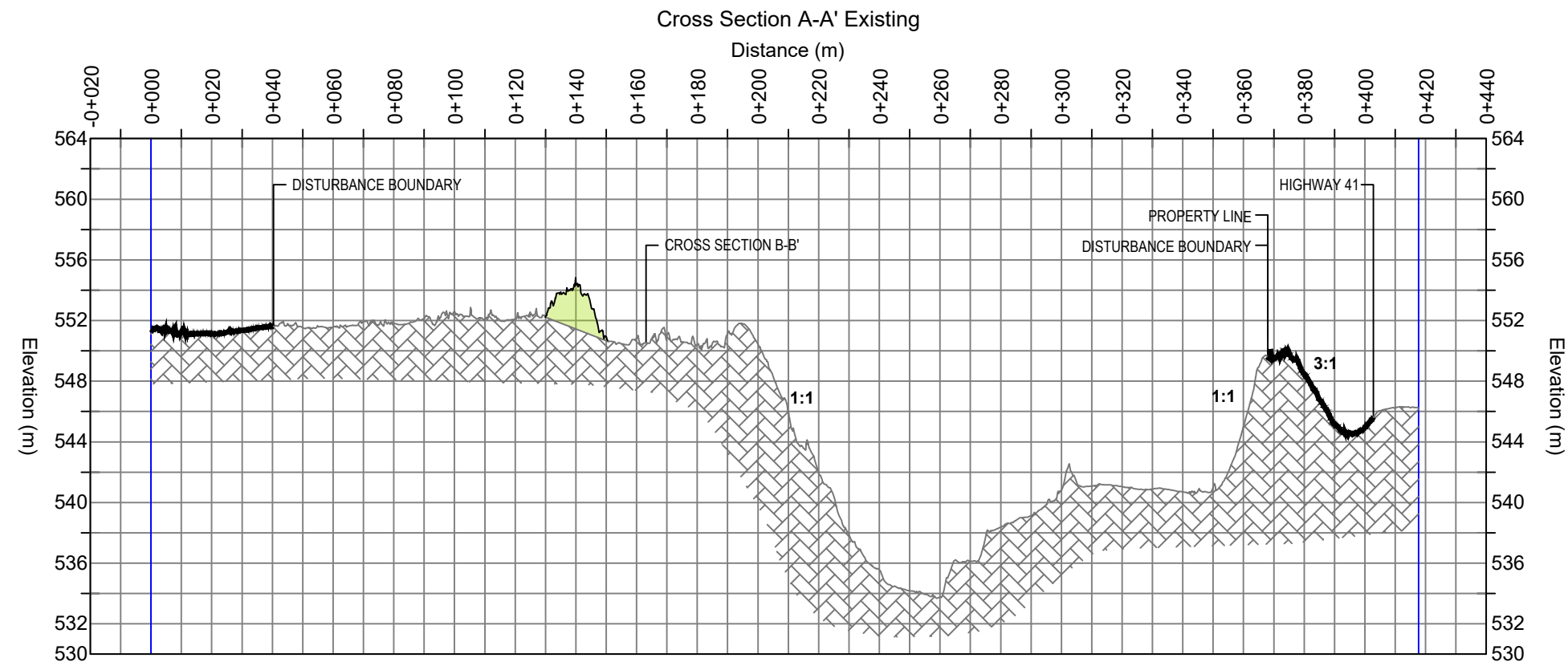


LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

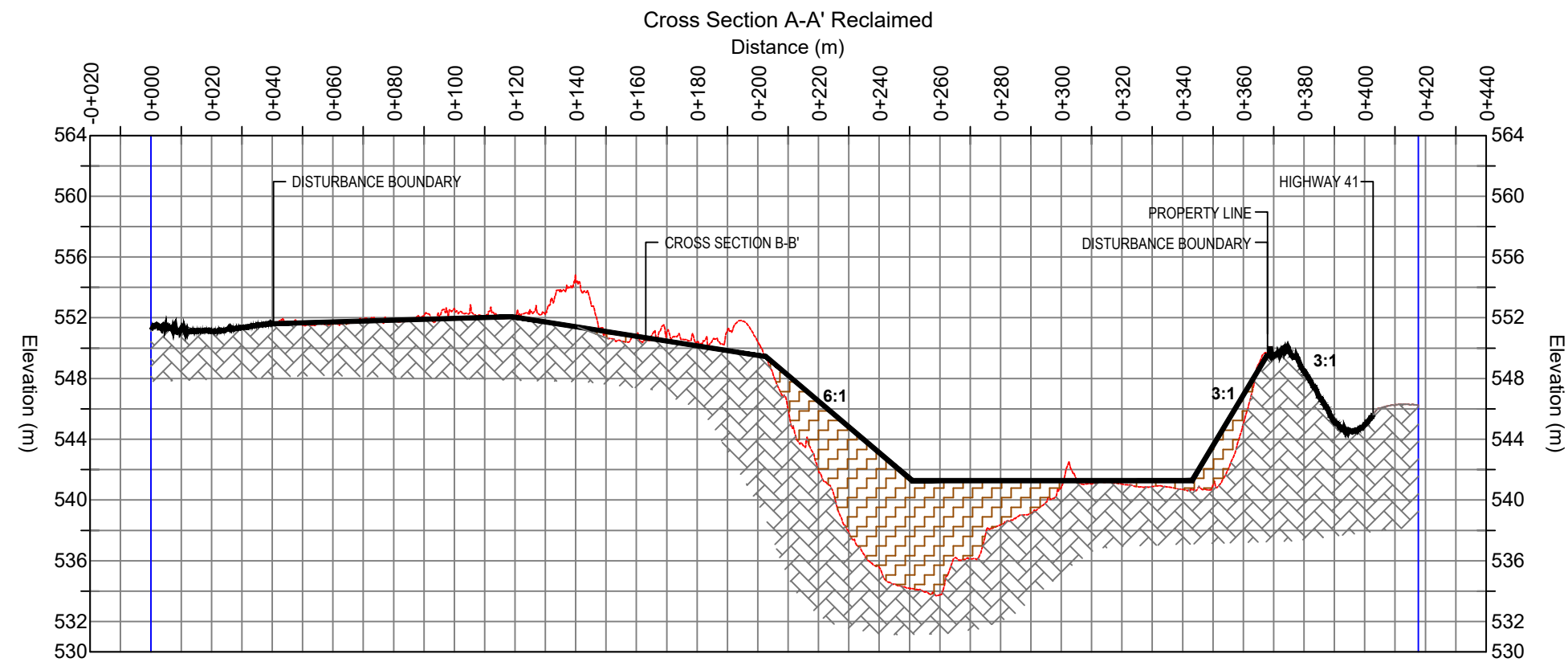
LOCATION PLAN

LEGEND

- TOPSOIL
- EXISTING SURFACE
- RECLAMATION MATERIAL STOCKPILE
- UNKNOWN MATERIAL
- REPLACED MATERIAL (REJECT SAND AND/OR AGGREGATE)



SCALE:
V=1:400
H=1:2000



Prepared By



Client

**MANTLE MATERIALS
GROUP LTD.**

Project

BUKSA PIT

Title

**CROSS SECTION A-A'
EXISTING & RECLAIMED CONDITIONS**

Checked By: M. CORRY & J. MCGLYNN

Scale: AS SHOWN

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

Drawn By: T. FOY

6 - 8

Air Photo: NA

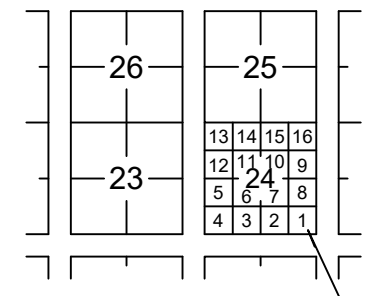
Date: JUNE 2, 2021

PO #: 21-017

SCALE:
V=1:400
H=1:2000

LEGAL LAND DESCRIPTION

NE 24-56-07 W4M

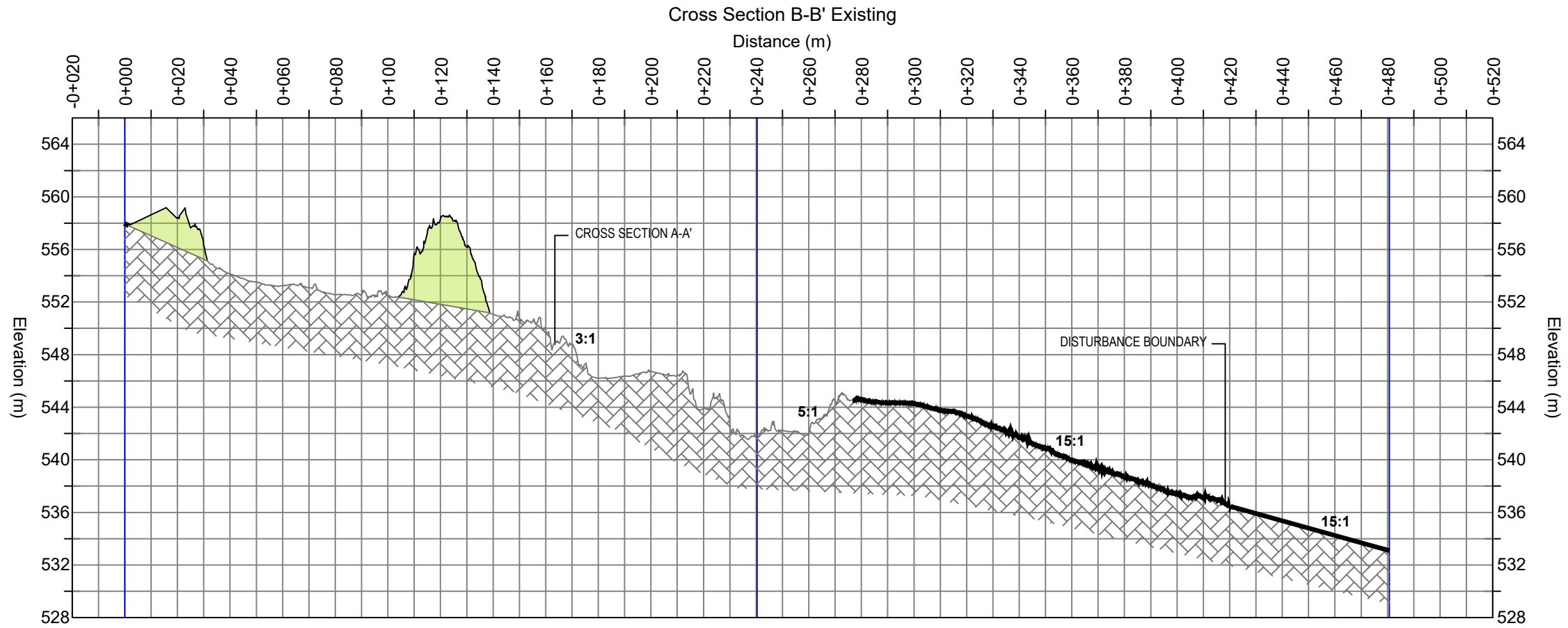


LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

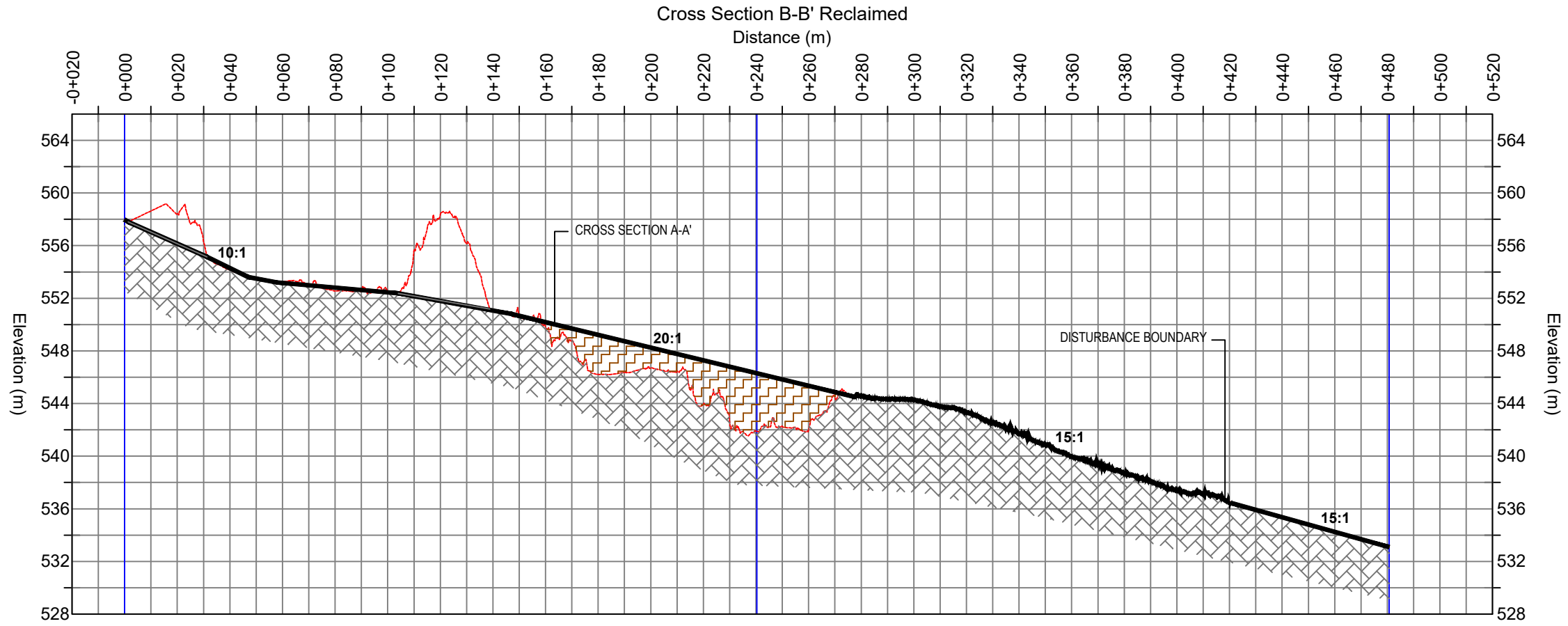
LOCATION PLAN

LEGEND

- TOPSOIL
- EXISTING SURFACE
- RECLAMATION MATERIAL STOCKPILES
- UNKNOWN MATERIAL
- REPLACED MATERIAL (REJECT SAND AND/OR AGGREGATE)



SCALE:
V=1:400
H=1:2000



Prepared By



Client

**MANTLE MATERIALS
GROUP LTD.**

Project

BUKSA PIT

Title

**CROSS SECTION B-B'
EXISTING & RECLAIMED CONDITIONS**

Checked By: M. CORRY & J. MCGLYNN

Scale: AS SHOWN

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

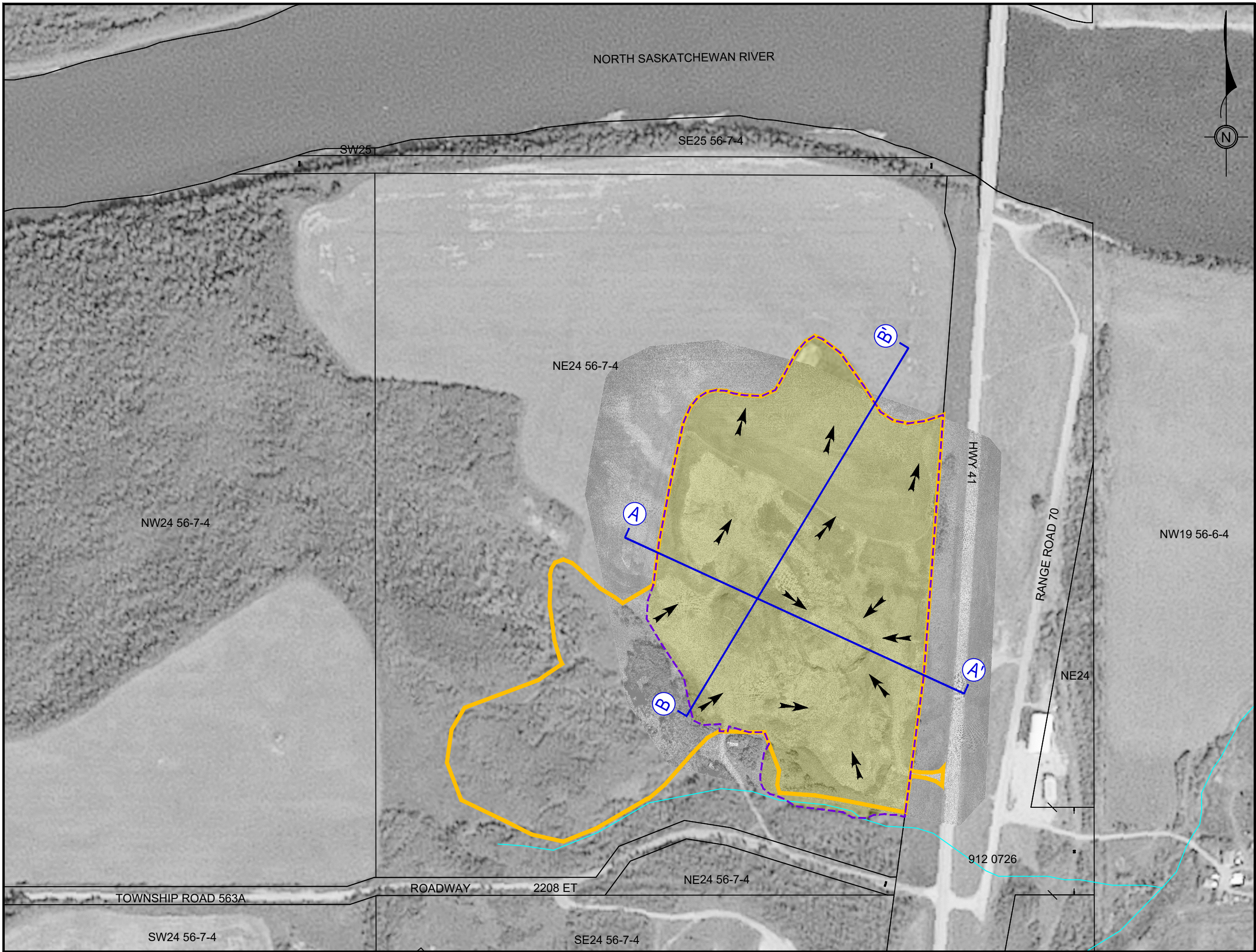
Drawn By: T. FOY

7 - 8

Air Photo: NA

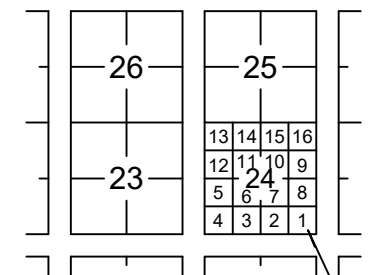
Date: JUNE 2, 2021

PO #: 21-017



LEGAL LAND DESCRIPTION

NE 24-56-07 W4M



LEGAL SUBDIVISION - LSD
1/4 MILE SQ. - 40 ACRES

LOCATION PLAN

LEGEND

- PROPERTY LINES
- CURRENT DISTURBANCE AREA/PIT BOUNDARY (12.66 ha)
- REGISTRATION BOUNDARY (17.62 ha)
- WATERCOURSES
- RECLAIMED AREA (17.74 ha)
- DRAINAGE ARROWS

Prepared By



Client

MANTLE MATERIALS GROUP LTD.

Project

BUKSA PIT

Title

RECLAMATION PLAN

Checked By: M. CORRY & J. MCGLYNN

Scale: 1: 4000

Designed By: M. CORRY & J. MCGLYNN

Drawing No.

Drawn By: T. FOY

8 - 8

Air Photo: 2016/2020

Date: JUNE 2, 2021

PO #: 21-017

August 20, 2021

INV No. 35659

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Re: Reclamation Plan Buksa Pit

The Reclamation Plan required under Clause 3 of the Environmental Protection Order, EPO-EPEA-35659-05 submitted on June 11, 2021, has been received and reviewed.

With this letter, I am providing Mantle Materials Group, Ltd. with written direction to fully implement each of the actions set out in the Reclamation Plan as submitted on June 11, 2021.



April Franks,
Inspector,
Environmental Protection Officer,
North Region

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-02

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

Byron Levkulich, Director
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1400 16th Street, Suite 320
Denver CO 80202
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1400 16th Street, Suite 320
Denver CO 80202
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Jeffrey Buck, former Director
JMB Crushing Systems Inc.
3439 Keswick Boulevard SW
Edmonton, AB
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 149949-00-00 located at SE-35-058-16-W4M and SW 36-058-16-W4M (Megley Pit) in Lamont County (the "Megley Pit");

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

WHEREAS Sharon Cook, Cheryl Megley, Douglas Megley, Bill Kryzanoski own the land on which the Megley Pit is located;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Megley Pit security Bond No. BND0015359 expires March 9, 2020.

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating it failed to replace security instruments on 7 pits that were registered to JMB and located on private land, including the Megley Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Megley Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Megley Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Megley Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Megley Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- Submit a Water Act application in 2021 based on consultation with AEP
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 18, 2020 EPO had a conversation with the landowner, Douglas Megley, who indicated that:

- JMB last operated the pit on or about winter 2019, at which time they crushed and hauled gravel offsite without payment to the landowner;
- JMB breached its contract held between with Douglas Megley which required payment of royalties to Douglas Megley and completion of reclamation at the pit;
- Douglas Megley is concerned that reclamation will not be completed on Megley Pit

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 JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Megley Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

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

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule

must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

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

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, 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 Megley Pit, and shall not remove any stockpiled materials.
2. By April 13, 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 20, 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 Megley 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 October 29, 2022 as the completion date.
 - i. A 6 month monitoring and maintenance program commencing October 29, 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 Megley 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 City of Spruce Grove in the Province of Alberta, this Thursday on the 11th day of March, 2021.



April Franks,
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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-02

JMB Crushing Systems Inc.
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WHEREAS reclamation of the disturbed land on Megley Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Megley Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Megley Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- Submit a Water Act application in 2021 based on consultation with AEP
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 18, 2020 EPO had a conversation with the landowner, Douglas Megley, who indicated that:

- JMB last operated the pit on or about winter 2019, at which time they crushed and hauled gravel offsite without payment to the landowner;
- JMB breached its contract held between with Douglas Megley which required payment of royalties to Douglas Megley and completion of reclamation at the pit;
- Douglas Megley is concerned that reclamation will not be completed on Megley Pit

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 JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Megley Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

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

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule

must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

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

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, 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 Megley Pit, and shall not remove any stockpiled materials.
2. By April 13, 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 20, 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 Megley 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 October 29, 2022 as the completion date.
- i. A 6 month monitoring and maintenance program commencing October 29, 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 Megley 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 City of Spruce Grove in the Province of Alberta, this Thursday on the 11th day of March, 2021.



April Franks,
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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No.1

to

ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-02

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No. EPO-EPEA-35659-02 (the "EPO") was issued to the Parties on March 11, 2021;

WHEREAS on April 14, 2021 JMB Crushing Inc. requested an extension to Clause 3 of the EPO, requesting to change the date of the Plan's submission date from May 20, 2021 to June 11, 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 Maxwell Harrison, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the EPO, the date of "May 20, 2021" to the EPO be deleted and replaced by "**June 11, 2021**".

DATED at the City of Edmonton in the Province of Alberta, this Monday on the 3rd day of May 2021.



Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division, Northern 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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

August 20, 2021

INV No. 35659

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Re: Reclamation Plan Megley Pit

The Reclamation Plan required under Clause 3 of the Environmental Protection Order, EPO-EPEA-35659-02 submitted on June 11, 2021, has been received and reviewed.

With this letter, I am providing Mantle Materials Group, Ltd. with written direction to fully implement each of the actions set out in the Reclamation Plan as submitted on June 11, 2021.



April Franks,
Inspector,
Environmental Protection Officer,
North Region

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-04

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 17395-01-00 located at NW 16-056-07-W4M (Havener Pit) in the County of St. Paul No. 19 (the "Havener Pit");

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

WHEREAS Lynne Havener and Gail Havener own the land on which Havener Pit is located'

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that Havener Pit security Bond No. BND0015361 in the amount of \$41,872.00 is expiring March 9, 2020.

WHEREAS on May 1, 2020 JMB indicated to AEP that they were entering The Companies Creditors Arrangement Act proceedings;

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 November 18, 2020, AEP sent a letter to JMB indicating they failed to replace financial security instruments on 7 pits that were registered to JMB and located on private land, including the Havener Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Havener Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report non-compliance issues to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Havener Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance (“NONC”) to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Havener Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB’s intentions with respect to the Havener Pit were as follows:

- to submit an updated Activities Plan by May 31, 2021;
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan; and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 22, 2021 the EPO had a conversation with the landowner, Lynn Havener, who indicated that:

- JMB last operated the Havener Pit on or about summer 2018; and
- JMB breached a contract with Lynn Havener regarding Havener Pit in 2017 and 2018 and still owe payment of royalties to her;

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 JMB is an ‘operator’ under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Havener Pit is a “pit” as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

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

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and

requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS April Franks, EPO 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*;

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

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

THEREFORE, I April Franks, 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 Havener Pit, and shall not remove any stockpiled materials.
2. By April 13, 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 20, 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 Havener 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 October 29, 2022 as the completion date.
 - i. A 6 month monitoring and maintenance program commencing October 29, 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 Havener 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 City of Spruce Grove in the Province of Alberta, this Thursday on the 11th day of March, 2021.



April Franks,
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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No.1

to

ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-04

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No EPO-EPEA-35659-04 (the "EPO") was issued to the Parties on March 11, 2021;

WHEREAS on April 14, 2021 JMB Crushing Inc. requested an extension to Clause 3 of the EPO, requesting to change the date of the Plan's submission date from May 20, 2021 to June 11, 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 Maxwell Harrison, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the EPO, the date of "May 20, 2021" to the EPO be deleted and replaced by "**June 11, 2021**".

DATED at the City of Edmonton in the Province of Alberta, this Monday on the 3rd day of May 2021.



Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division-North

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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No.2

to

ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-04

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No EPO-EPEA-35659-04 (the "EPO") was issued to the Parties on March 11, 2021;

WHEREAS on May 3, 2021 AEP granted an extension to Clause 3 of the EPO, to change the Plan's submission date from May 20, 2021 to June 11, 2021

WHEREAS on June 11, 2021 AEP received an Updated Activities Plan application from Mantle Materials Group, Ltd. for Havener Pit Registration 17395-01-00.

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

THEREFORE, I Maxwell Harrison, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the EPO, the date of "June 11, 2021" to the EPO be deleted and replaced by "**April 30, 2022**".

DATED at the City of Spruce Grove in the Province of Alberta, this Friday on the 20th day of August 2021.



Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division-North

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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

Environmental Protection Order No.EPO-EPEA-35659-04

April 28, 2023

To: Cory Pichota
Mantle Material Group, Ltd.
PO Box 6977
Bonnyville, Alberta T9N 2H4

Byron Levkulich, Director
Mantle Material Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
Mantle Material Group, Ltd.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

ORDER CLOSURE

This letter is to advise you that by undertaking the necessary requirements to restore the Havener gravel pit held under registration no.17395 to put you in good standing with the applicable authorization requirements, I am hereby closing Environmental Protected Order No.EPO-EPEA-35659-04 as amended.

Please be advised that any future violations of a similar nature may result in the initiation of a new investigation.

We appreciate your cooperation and effort in this matter. If you have any questions, please contact me at 780-913-6605 or maxwell.harrison@gov.ab.ca.

Respectfully,

Maxwell Harrison, Compliance Manager
Regulatory Assurance Division-North, Capital District

cc: Colette Strap, Environmental Protection Officer
Stephen Abioye, Approvals Team Lead
Tricia Kirkpatrick, Environmental Investigations Liaison

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-03

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 306490-00-00 located on NW 17, NE 18 and SE-19-063-09-W4M (Kucy Pit) in the MD of Bonnyville No.87 (the "Kucy Pit");

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

WHEREAS Robert Niedzielski, Travis Kwiatkowski, John Kwiatkowski, Leo Kwiatkowski, Ron Kucy, and Rita Kucy own the land on which the Kucy Pit is located;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020, Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Kucy Pit security Bond No. BND0015364 in the amount of \$31,872.25 is expiring March 9, 2020.

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 November 18, 2020, AEP sent a letter to JMB indicating it failed to replace financial security instruments on 7 pits that were registered to JMB and located on private land, including the Kucy Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Kucy Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation noted as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Kucy Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Kucy Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Kucy Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- Submit a Water Act application in 2021 based on consultation with AEP
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 23, 2021, the EPO had a conversation with the landowner, Ron Kucy, who indicated that:

- JMB last operated the Kucy Pit on or about summer 2018
- JMB does not plan to mine additional gravel at Kucy Pit and Ron Kucy is concerned the land will not be reclaimed

WHEREAS on March 2, 2021, the EPO had a conversation with the landowner, John Kwaitkowski, who indicated that:

- JMB last operated the Kucy Pit on or about summer 2018
- JMB signed a royalty contract with John Kwaitkowski in 2012 and shortly after it hauled gravel off site without payment to the landowner;
- JMB does not plan to mine any additional gravel at Kucy Pit and John Kwaitkowski is concerned the land will not be reclaimed;

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 JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Kucy Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

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

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO, April Franks, 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*;

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

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, 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 Kucy Pit, and shall not remove any stockpiled materials.
2. By April 13, 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 20, 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 Kucy 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 October 29, 2022 as the completion date.
 - i. A 6 month monitoring and maintenance program commencing October 29, 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 Kucy 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 City of Spruce Grove in the Province of Alberta, this Thursday on the 11th day of March, 2021.



April Franks,
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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No.1

to

ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-03

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No. EPO-EPEA-35659-03 (the "EPO") was issued to the Parties on March 11, 2021;

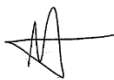
WHEREAS on April 14, 2021 JMB Crushing Inc. requested to change the date of the Plan's submission date from May 20, 2021 to June 11, 2021 in Clause 3 of the EPO;

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 Maxwell Harrison, pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. In Clause 3 of the EPO, the date of "May 20, 2021" to the EPO be deleted and replaced by "**June 11, 2021**".

DATED at the City of Edmonton in the Province of Alberta, this Monday on the 3rd day of May 2021.



Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division, Northern 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 Party shall obtain all necessary approvals 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.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

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

Amendment No. 2

To

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-03

Mantle Materials Group, Ltd., previously JMB Crushing Systems Inc.
P.O. Box 6977
Bonnyville, AB T9N 2H4

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Collectively referred to as the "Parties"

WHEREAS Environmental Protection Order No. 35659-03 ("EPO") was issued to the Parties on March 11, 2021;

WHEREAS on May 1, 2021, JMB Crushing Systems Inc. amalgamated with Mantle Materials Group, Ltd. and continued as Mantle Materials Group, Ltd. ("Mantle");

WHEREAS on May 3, 2021 Amendment no.1 to the EPO was issued to the Parties;

WHEREAS on July 14, 2022, Mantle requested an amendment to the EPO, to allow the removal of approximately 33,390 cubic meters of sand from the pit site;

WHEREAS Mantle has indicated that the private landowner will be responsible for removal of the sand and that the removal will take place between the dates of July 18, 2022 to September 18, 2022;

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, Maxwell Harrison, the Director pursuant to section 243 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. Clause 1 of the EPO be deleted and replaced with:
“The Parties shall not extract any aggregate material from the Pit.”
2. Clause 1a. be inserted after Clause 1 as follows:
“The Parties shall not remove any stockpiled aggregate material from the Pit except for the removal of no greater than 33,390 cubic meters of stockpiled sand from July 28, 2022 to September 18, 2022 from the area within the Pit shown in pink and labelled E1 in the graphic shown in Appendix A of this Amendment;
3. A New Clause 1b. be inserted after Clause 1a as follows:
“The Parties shall provide notice to the Director by email no later than 7 days after the work described in Clause 1a. is complete. This notice shall include an estimate of the amount of material removed off site.”

DATED at the City of Edmonton in the Province of Alberta, this Wednesday on the 27th day of July 2022.

Maxwell Harrison,
Compliance Manager,
Regulatory Assurance Division, Northern Region

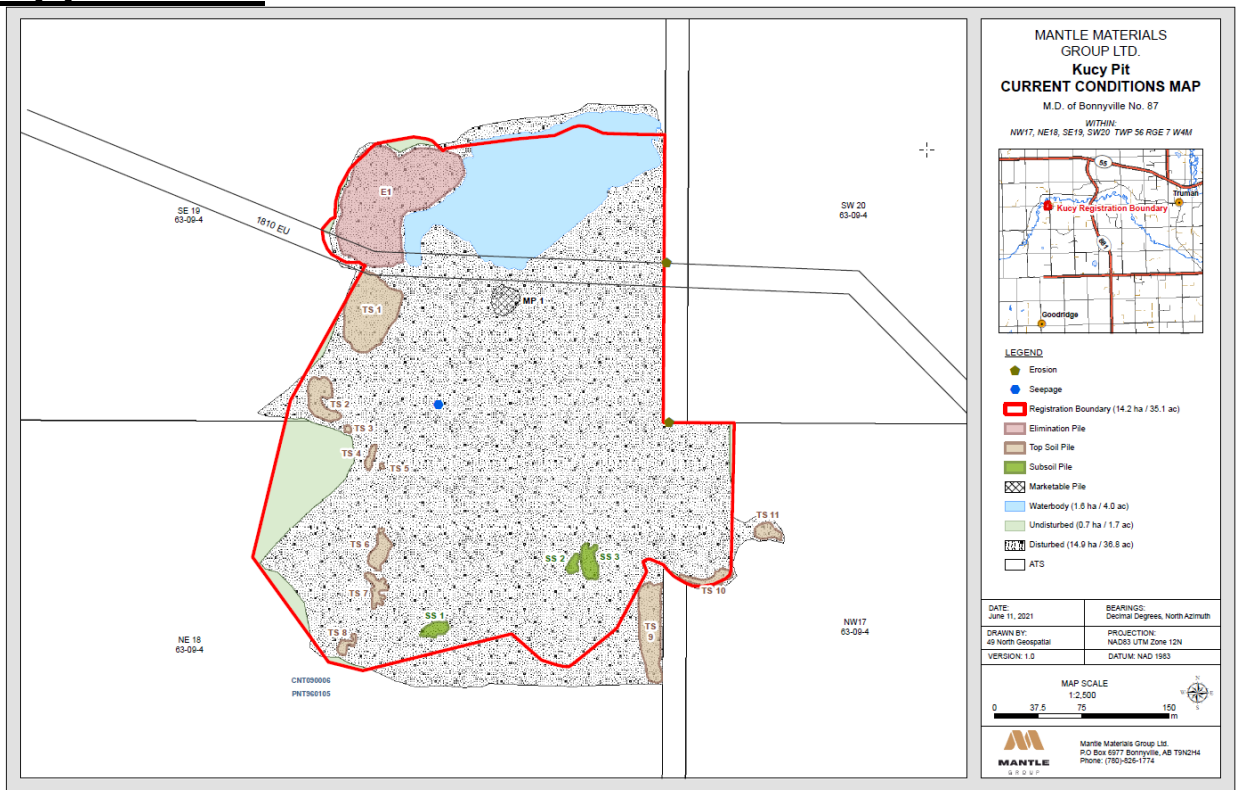
Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board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

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

Appendix A



EPO-EPEA-35659-03 PLAN

Kucy Pit

Registration No. 306490-00-00

(NW 17, NE 18, SE 19-063-09-W4M)

Mantle Materials Group, Ltd.

June 11, 2021

Contents

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APPENDIX A: Current Conditions Map

APPENDIX B: Cross-Sections Map

APPENDIX C: Conceptual Reclamation Map

APPENDIX D: Cross-Sections

1 Introduction

This Plan is in response to EPO-EPEA-35659-03 on Kucy pit EPEA registration No. 306490-00-00 and covers requirements in the order under number four Plan requirements.

Information from the current approved Activities Plan for the pit registration and recent site assessments were used in the development of this Plan. Unless otherwise directed by the Alberta Environment & Parks the current Activities Plan under the EPEA registration will cover regulatory requirements after the EPO requirements are met.

2 Topography

The pit slopes towards the north, northwest into the Beaver River valley. Starting in the south there is a plateau followed by some very steep pitches, due to the natural topography and operations within the pit. A break is observed after the steep valley slope, mid-point within NE 18-63-9-W4M, from this point north the area is very gently sloped and situated on a lower terrace of the Beaver River.

3 Drainage

The pit and adjacent lands have a north-northwest aspect and are well-drained. Most of the pit has been disturbed, including some areas outside of the registration boundary. Two issues of erosion on some of the steeper pit faces were observed during the May 2021 site assessment. No pooling of water was observed in the flat area north of the valley break.

Near the boundary between the NE-18-63-9-W4M and SE-19-63-9-W4M an natural seeping spring was discovered. A small area of pooling was observed, where the seepage comes to the surface, but then returns underground running towards the Beaver River.

Operations within SE 19-63-9-W4M extended into the water table creating a waterbody approximately 1.4 hectares (3.5 acres) in size. An undisturbed setback of 30 m is located between the river and the edge of the pit.

4 Soils

The soils are classified in the SE 19-63-9-W4M and the western portions of NE 18-63-9-W4M as miscellaneous undifferentiated mineral soils of the Chernozemic. In the central portion of NE 18-63-9-W4M consists of Eluviated Butric Brunisols developed on very coarse textured (S, LS) sediments deposited by wind or water. Dark Gray Luvisols developed on medium textured (L, CL) till were classified in the eastern portion of NE 18-63-9-W4M.

Based on soil conditions in 2011, the following soil conditions were determined:

Table 1: 2011 Soil Conditions

Material	Depth (m)
Topsoil	0.11
Subsoil	0.09
Overburden	0

5 Vegetation

Most of the pit has been cleared of vegetation apart from small areas in the western portion of the pit. This area is partially forested. Trees within this area consists primarily of Jack Pine, with some White Spruce, Balsam Poplar, White Poplar, and Birch.

6 Land Capability

The Canadian Land Inventory (CLI) classification for agriculture has classed the pit is a Class 6, Subclass T for 70% and Class 5, Subclass M for 30%. Soils in Class 6 are capable of only producing perennial forage crops, and improvement practices are not feasible and has severe limitations due topography. Class 5 has severe limitations that restrict its capability in producing perennial forage crops, and improvement practices are feasible. Class 5 has moisture limitations where the soils usually have low water-holding capacity.

7 History of Surface, Subsurface, Groundwater Disturbance

Typical disturbance of surface and subsurface has occurred as part of the excavation of insitu aggregate. The total historic disturbance of this pit due to JMB operations is 14.9 hectares, including the Registered Plan of Survey for roadway 1810 EU (14.3 hectares excluding this Registered Plan of Survey for roadway 1810 EU). The disturbed area includes stockpiles, processing sites, pit access, and an operationally created waterbody.

Operations in the south of the pit took place below the water table, thus creating a waterbody. The rough dimensions of the waterbody are 14,000 m² x 4 m deep. The calculated volume is 45,800 m³.

A natural seeping spring was discovered near the NE-18-63-9-W4M and SE-19-63-9-W4M boundary. A small area of pooling was observed, where the seepage rises to the surface and then returns underground running towards the Beaver River.

Overall drainage of the pit is still inline with the surrounding area; no water is being captured/held in any of the low lying, flat areas of the pit.

8 Adjacent Land Use

The adjacent land uses include agricultural land, pastureland, and a gravel pit.

9 Marketable Aggregate

The marketable material piles are labeled on the current conditions as “MP#”. The volume and value are presented in the table below:

Table 2: Marketable Aggregate

Marketable Pile #	Volume (m³)	Value (\$) FOB
MP1	1,048	26,821

The value \$ FOB does not take into account the royalty payment that would have to be paid to the landowners for sale of the marketable material.

10 End Land Use

The end land use will be pastureland. No end pit waterbody will be left on site.

11 Reclamation Objective

The reclamation objective is to satisfy the EPO requirements and work towards receiving a reclamation certificate and termination of the EPEA registration.

12 Reclamation Activities

Once the EPO Plan is approved and the inventoried marketable material is removed, final reclamation activities will begin.

12.1 Equipment Types

Typical heavy equipment will be used to complete the earthworks portion of the reclamation activities. This includes a tracked excavator, rock trucks, and dozer.

Typical dewatering equipment will be utilized to complete the dewatering portion of reclamation activities. Including water pumps, generators, and hoses/piping.

Typical farm equipment or an equivalent ATV setup will be used to complete the revegetation portion of the reclamation activities. This includes a rubber-tired tractor or equivalent ATV with seeding attachment.

12.2 Dewatering

The large waterbody in the southern portion of the Pit will be reclaimed to upland. Reclamation will include dewatering, deconstruction, backfilling, and contouring.

Water will be pumped into two areas. The first area will be the undisturbed area in the SW corner of LSD 16-18-63-9-W4M within the registration boundary. The second is performing pit to pit dewatering, also within the registration boundary.

Prior to any activities, all appropriate Water Act permitting will be obtained. The pit to pit, will not require a license as it falls within the exception of dewatering of sand and gravel sites Schedule 3.

The natural seeping spring observed during the May 2021 site assessment will be capped with a porous elimination material to protect the continuity of the spring flowing towards the Beaver River.

12.3 Recontouring

Recontouring will help to ensure that the disturbed areas will be reclaimed to an equivalent land capability. The CLI for the pit is predominantly Class 6, therefore all internal slopes, will be recontoured to 6:1 or gentler. Slopes along the boundary will be recontoured to a slope no greater than 3:1. A general north aspect will be maintained as part of the recontouring.

The identified areas of erosion (Appendix A), in the May 2021 site assessment, will be remediated during the recontouring. Remediation of the most norther erosion will be conducted in conjunction with Alberta Transportation to ensure no further incidences of erosion occurs between these two sites.

The dewatered waterbody will be deconstructed, backfilled and recontoured utilizing elimination product and any other material not used for the production purposes. Desktop calculations have determined that there more than enough material on site to reclaim the waterbody to upland.

The pit floor, where compacted, will be ripped prior to soil replacement. The exception for this will be the Registered Plan of Survey for roadway 1810EU running through the southern portion of the pit. The roadway will be re-established to a rough surface above the water table to allow continued access.

12.4 Topsoil Placement

Topsoil and subsoil placement will target 80% of the pre-disturbance thickness, based on industry norm of expected soil losses during soil handling activities. Unfortunately, based on

historical operations very little topsoil and subsoil were salvaged, it is unlikely that the targets of 80% of pre-disturbance thickness will be achieved.

The topsoil piles are labeled on the current conditions map as "TS#". The total volume of topsoil is 9,517 m³.

The subsoil piles are labeled on the current conditions map as "SS#". The total volume of topsoil is 590 m³.

The disturbed area requiring topsoil and subsoil is 14.3 hectares, excluding the Registered Plan of Survey for roadway 1810 EU. Based on the area requiring topsoil and subsoil, the subsoil will be utilized combined with the topsoil to ensure all disturbed areas of the pit will be covered.

Based on the area requiring topsoil and the volume of topsoil/subsoil available, the calculated topsoil thickness is 0.07 m. This is 0.018 m less than the targeted replacement depth of 0.088 m. Personnel involved in topsoil placement activities will be made aware of the topsoil volume limits and the extra care needed when handling and placing the salvaged topsoil. Topsoil placement activities will be supervised and monitored by a competent individual with experience in earthworks operations.

12.5 Revegetation

An appropriate pasture mix and fertilizer for establishing pastureland along with the application rate will be discussed and finalized with the landowners.

The replaced topsoil will be seeded using typical farm equipment or an equivalent ATV setup.

13 Monitoring and Maintenance Program – Six Months

As per the EPO requirements a six-month monitoring and maintenance program will be implemented after final reclamation is completed.

The program scope will cover the completed reclamation activities under the EPO and will monitor the success of the implemented activities and identify the need for any maintenance to meet the objectives of the Plan.

Monitoring of the following will occur:

- Soil stability and signs of erosion
- Surface drainage compared to plan
- Seed germination success
- Weed occurrences
- Natural revegetation in and surrounding the end pit waterbody.
- Water table assessment

Maintenance activities required to address any issues found in the monitoring portion of the program will be implemented in the applicable season. They could include, but not limited to:

- Corrective earthworks (summer, fall)
- Additional seeding (spring, summer)
- Spraying or pulling of weeds (summer) – determined by distance from the end pit waterbody.

If the reclamation activities are completed shortly before winter conditions, the monitoring and maintenance will commence in the spring and summer of the following year as part of the EPO requirements or as part of the EPEA registration process in preparation of applying for a reclamation certificate and eventual termination of the pit registration.

14 Schedule

Table 3: Schedule of Activities for Pit Reclamation

Year	Activity covered under EPO or EPEA Registration	Description	Completion Date
2021	EPO	Remove marketable material	Sept 1 st
2021	EPO	Commence operations to dewater and deconstruct the waterbody once Water Act permitting is in place.	Dec 1 st
2022	EPO	Complete the remaining recontouring, topsoil placement, and seeding of topsoil by July 15 th .	July 15 th
2022	EPO	Begin six month monitoring requirement as per the EPO.	July 15 th or earlier if final reclamation completed earlier
2022	EPO	Assess soil stability, revegetation success, and for the presence of weeds.	Sept 15 th
2023	EPEA	Assess the soil stability after spring thaw.	May 15 th
2023	EPO	Address any shortfalls discovered from the assessment.	June 15 th
2023	EPEA	Assess vegetation success and survey for the presence of weeds.	July 1 st
2023	EPEA	Apply for reclamation certificate that will go towards terminating the registration.	Nov 1 st

15 Closure

The EPO Plan has been prepared by Tyler Pell RPFT, Aggregate Resource Manager, Mantle Materials Group, Ltd.



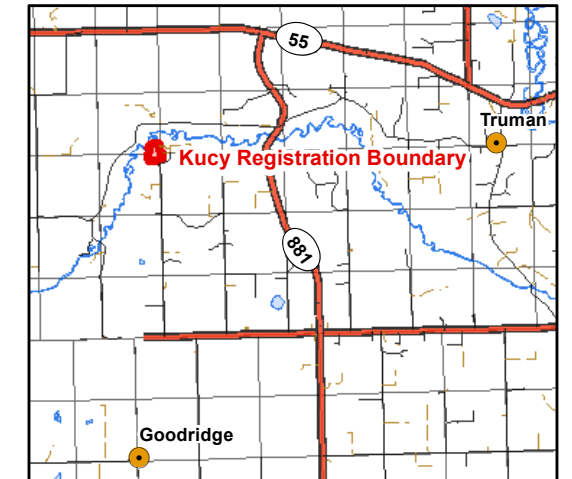
Tyler Pell, RPFT

APPENDIX A: Current Conditions Map

MANTLE MATERIALS
GROUP LTD.
Kucy Pit
CURRENT CONDITIONS MAP

M.D. of Bonnyville No. 87

WITHIN:
NW17, NE18, SE19, SW20 TWP 56 RGE 7 W4M



LEGEND

- Erosion
- Seepage
- Registration Boundary (14.2 ha / 35.1 ac)
- Elimination Pile
- Top Soil Pile
- Subsoil Pile
- Marketable Pile
- Waterbody (1.6 ha / 4.0 ac)
- Undisturbed (0.7 ha / 1.7 ac)
- Disturbed (14.9 ha / 36.8 ac)
- ATS

DATE:
June 11, 2021

BEARINGS:
Decimal Degrees, North Azimuth

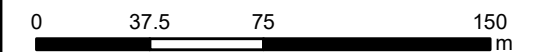
DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N

VERSION: 1.0

DATUM: NAD 1983

MAP SCALE
1:2,500



Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774

SE 19
63-09-4

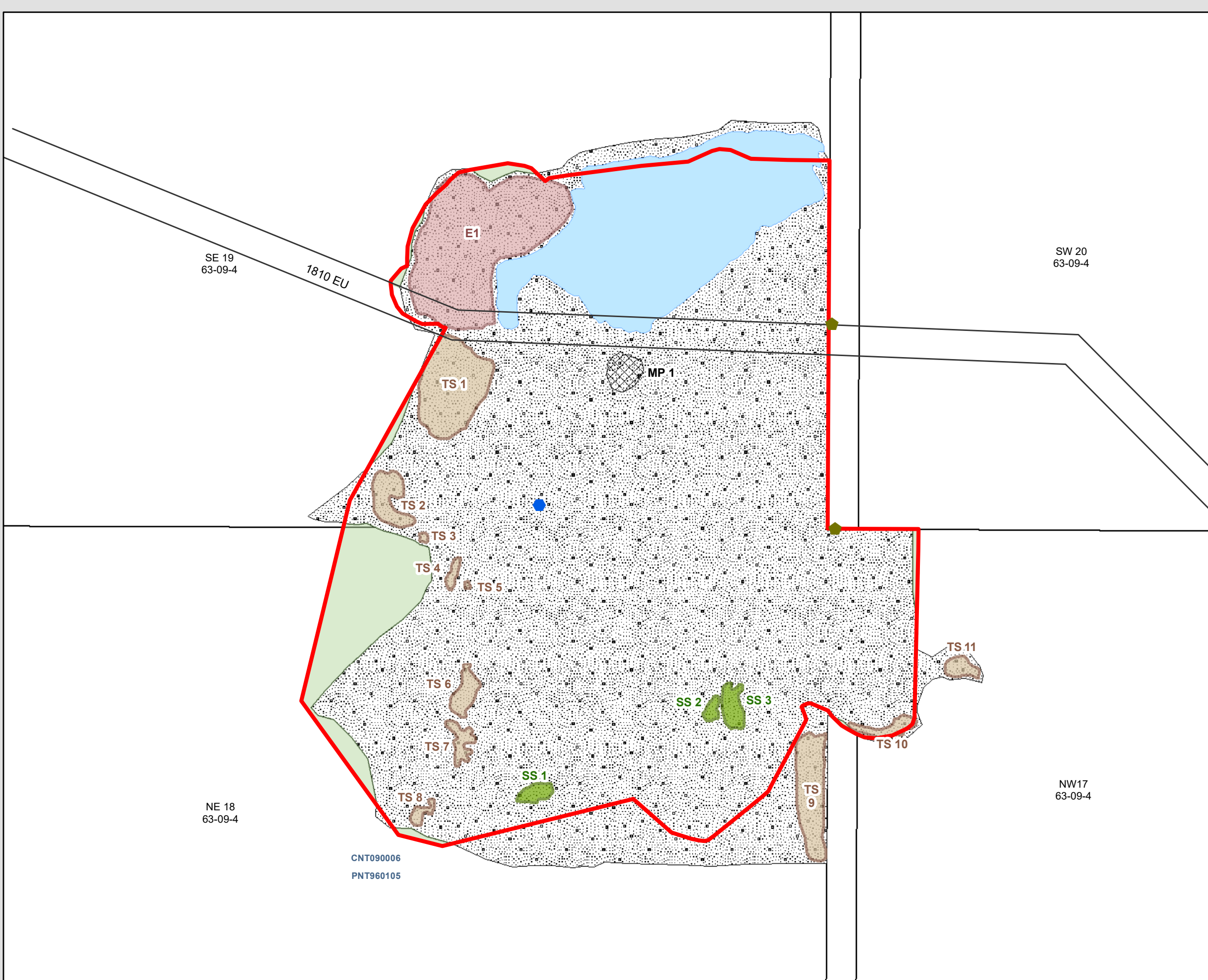
1810 EU

SW 20
63-09-4

NE 18
63-09-4

NW17
63-09-4

CNT090006
PNT960105

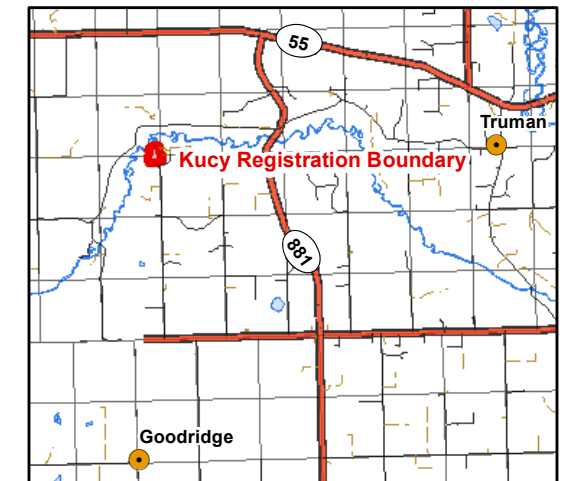


APPENDIX B: Cross-Section Map

MANTLE MATERIALS
GROUP LTD.
Kucy Pit
CROSS SECTION MAP

M.D. of Bonnyville No. 87

WITHIN:
NW17, NE18, SE19, SW20 TWP 56 RGE 7 W4M



LEGEND

- Cross Section Station
- Cross Section
- Registration Boundary
- EPO Pile
- Kucy_Waterbody
- Undisturbed (0.7 ha / 1.7 ac)
- Disturbed (14.9 ha / 36.8 ac)
- ATS

DATE:
June 11, 2021

BEARINGS:
Decimal Degrees
North Azimuth

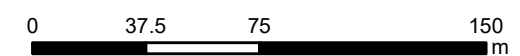
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49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

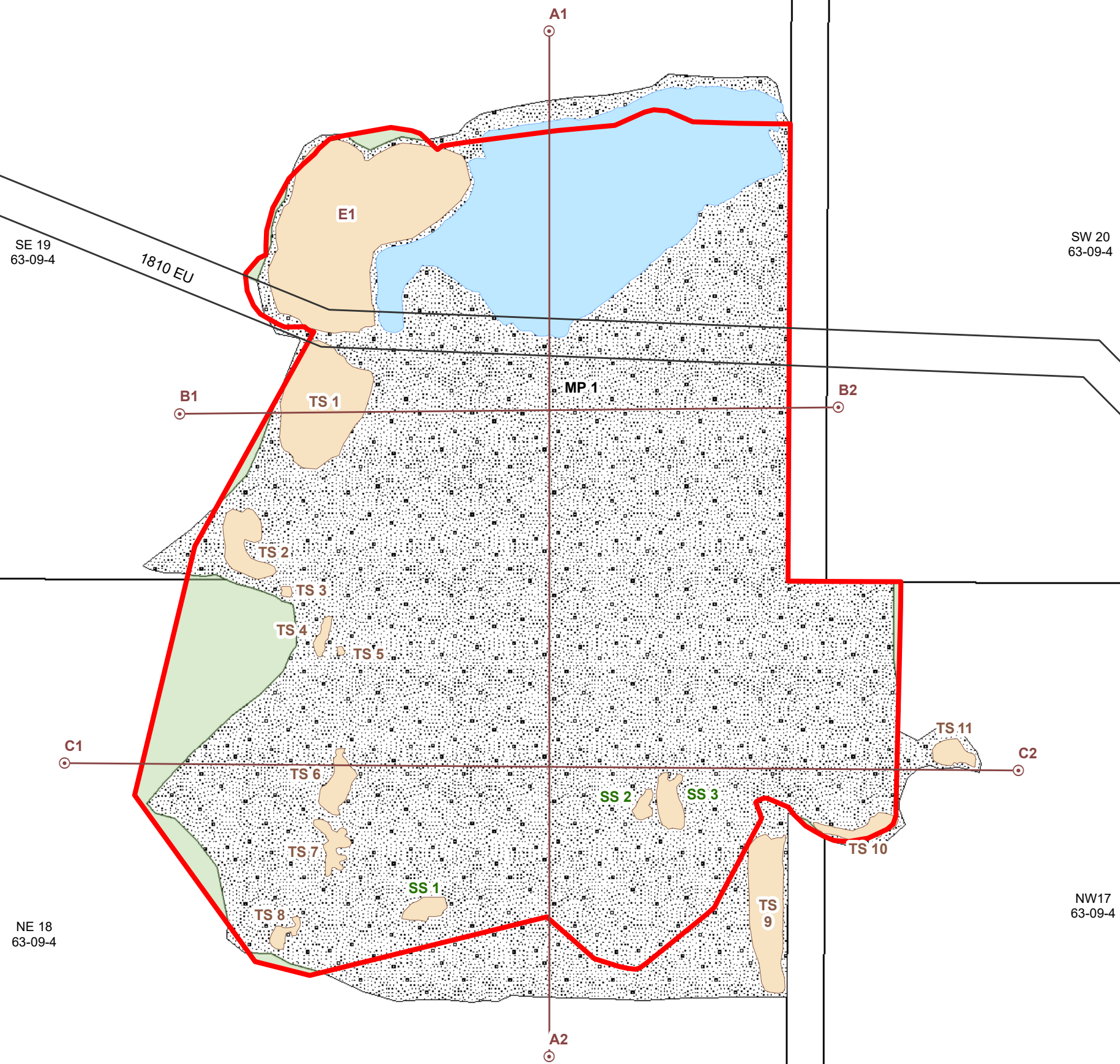
VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:2,500



Mantle Materials Group Ltd.
P.O Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774



SE 19
63-09-4

1810 EU

SW 20
63-09-4

NE 18
63-09-4

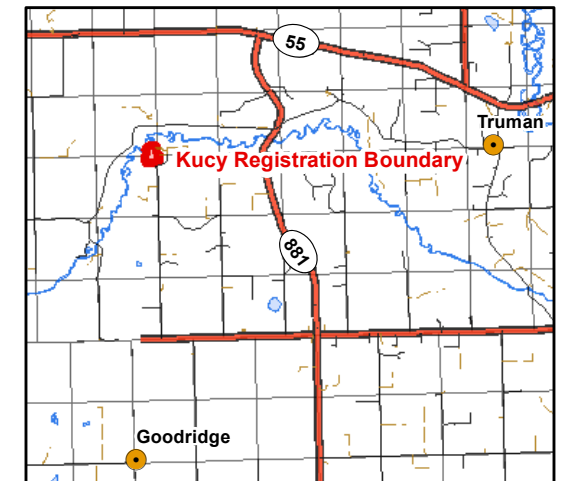
NW17
63-09-4

APPENDIX C: Conceptual Reclamation Map

MANTLE MATERIALS
GROUP LTD.
Kucy Pit
CONCEPTUAL RECLAMATION

M.D. of Bonnyville No. 87

WITHIN:
NW17, NE18, SE19, SW20 TWP 56 RGE 7 W4M



LEGEND

→ Flow Arrow

▭ Registration Boundary

▭ Disturbed (14.9 ha / 36.8 ac)

▭ ATS

DATE:
June 11, 2021

BEARINGS:
Decimal Degrees
North Azimuth

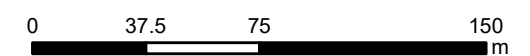
DRAWN BY:
49 North Geospatial

PROJECTION:
NAD83 UTM Zone 12N
Units in meters

VERSION:
1.0

DATUM:
NAD 1983

MAP SCALE
1:2,500



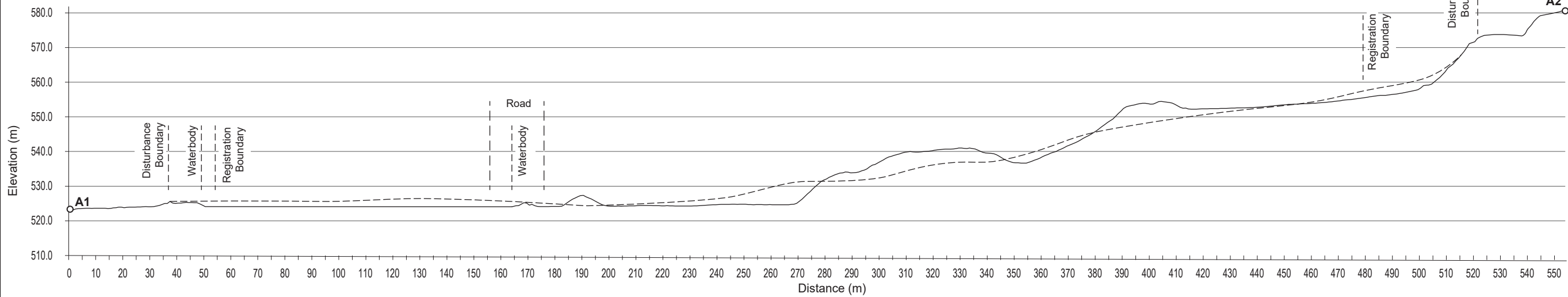
Mantle Materials Group Ltd.
P.O. Box 6977 Bonnyville, AB T9N2H4
Phone: (780)-826-1774



APPENDIX D: Cross-Sections

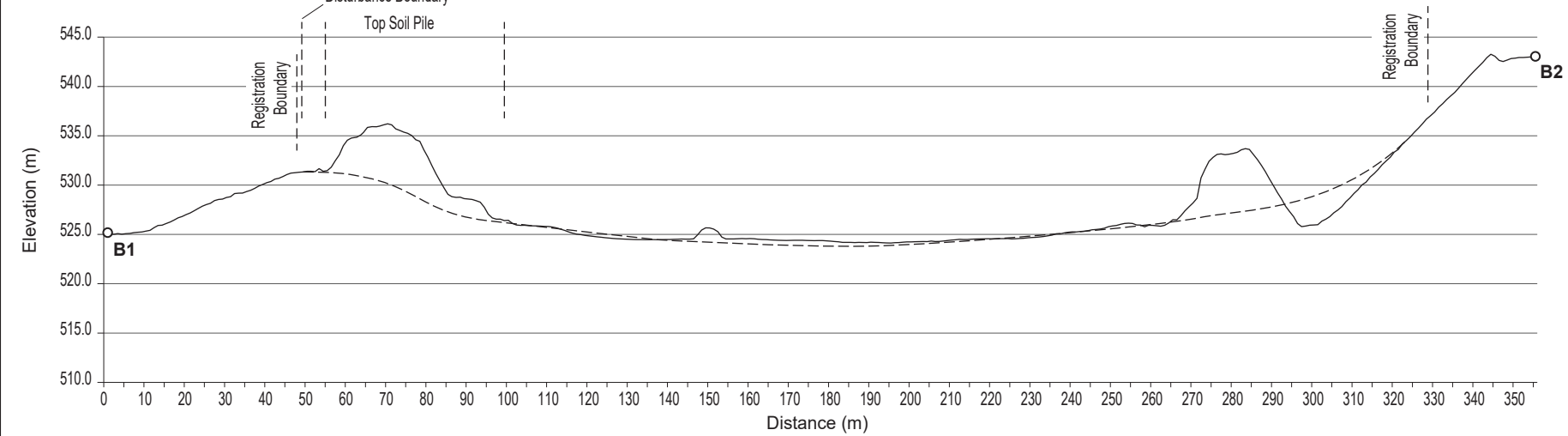
Cross Section A

Existing Site Conditions



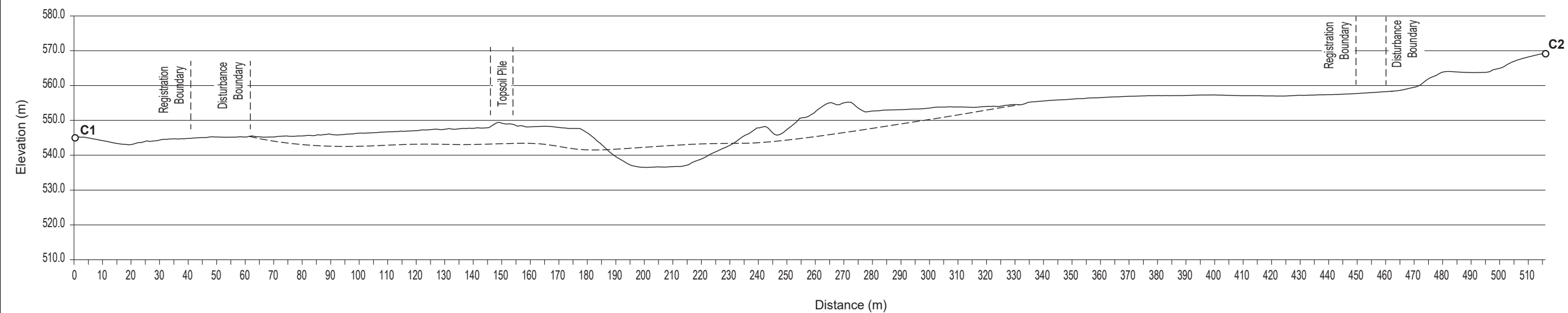
Cross Section B

Existing Site Conditions



Cross Section C

Existing Site Conditions



KUCY PIT

Figure 1

Cross Section A
and
Cross Section B

M.D. of Bonnyville No. 87

WITHIN:

NW17, NE18, SE19, SW20
TWP 56 RGE 7 W4M

LEGEND

- Reclaimed Surface
- Excavated Surface
- Station

All Units in Metres / Variable Scale
Method of Data Capture (Profile): LiDAR 15
Coordinate System: NAD 1983, UTM Zone 12N
Created: May 23, 2021 By: 49 North Geospatial

August 20, 2021

INV No. 35659

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

Byron Levkulich, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

Aaron Patsch, Director
JMB Crushing Systems Inc.
1400 16th Street, Suite 320
Denver CO 80202
United States

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

Re: Reclamation Plan Kucy Pit

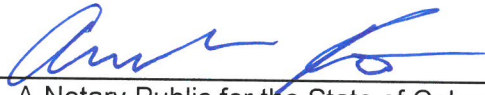
The Reclamation Plan required under Clause 3 of the Environmental Protection Order, EPO-EPEA-35659-03 submitted on June 11, 2021, has been received and reviewed.

With this letter, I am providing Mantle Materials Group, Ltd. with written direction to fully implement each of the actions set out in the Reclamation Plan as submitted on June 11, 2021.

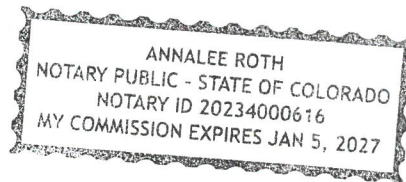


April Franks,
Inspector,
Environmental Protection Officer,
North Region

This is **Exhibit "E"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



Mantle Materials Group

EPO / EO Budget

Updated Date: 19-Jul-23

EPO/EO Summary

Pit	Remaining 2023	Remaining 2024-2026	
Macdonald	87,794	23,000	
Megley	26,400	26,000	
Kucy	716,690	37,306	
Buksa	94,900	18,000	
Okane	-	-	
SML 060060	496,321	112,898	
SML 930040	1,000	12,000	
SML 980116	1,000	12,000	
SML 120027	1,000	12,000	
Other Overhead	-	-	
	1,425,105	253,203	
Check	TRUE	TRUE	#VALUE!

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	2024	2025	2026	Note	2023	2024-2026
Macdonald	-	-	-	-	-	-	-	-	41,597	46,197	-	-	11,000	6,000	6,000		87,794	23,000
Megley	-	-	-	-	-	-	-	-	-	26,400	-	-	12,000	7,000	7,000		26,400	26,000
Kucy	-	-	-	-	-	-	-	413,580	235,262	40,542	27,306	-	17,306	10,000	10,000		716,690	37,306
Buksa	-	-	-	-	-	-	-	-	-	94,900	-	-	11,000	6,000	1,000		94,900	18,000
Okane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Completed /	-	-
SML 060060	-	-	-	-	-	-	-	876	230,757	214,204	25,542	24,942	92,898	15,000	5,000		496,321	112,898
SML 930040	-	-	-	-	-	-	-	1,000	-	-	-	-	6,000	6,000	-		1,000	12,000
SML 980116	-	-	-	-	-	-	-	1,000	-	-	-	-	6,000	6,000	-		1,000	12,000
SML 120027	-	-	-	-	-	-	-	1,000	-	-	-	-	6,000	6,000	-		1,000	12,000
Other Overhead	-	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000	-		-	-
	-	-	-	-	-	-	-	417,456	507,616	422,243	52,848	24,942	162,203	62,000	29,000		1,425,105	253,203
													1,425,105					
													0.849131887					

TOTAL REMAINING 1,678,308

Weekly Reclamation Summary

Week Ending	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	
Macdonald	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,399	\$10,399	\$10,399	\$10,399	\$11,549	\$11,549	\$11,549	\$11,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Megley	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,600	\$6,600	\$6,600	\$6,600	\$6,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kucy	\$0	\$0	\$0	\$103,395	\$103,395	\$103,395	\$103,395	\$58,815	\$58,815	\$58,815	\$58,815	\$10,136	\$10,136	\$10,136	\$10,136	\$5,461	\$5,461	\$5,461	\$5,461	\$5,461	\$5,461	\$0	\$0	\$0
Buksa	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,725	\$23,725	\$23,725	\$23,725	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Okane	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SML 060060	\$0	\$0	\$0	\$219	\$219	\$219	\$219	\$57,689	\$57,689	\$57,689	\$57,689	\$53,551	\$53,551	\$53,551	\$53,551	\$5,108	\$5,108	\$5,108	\$5,108	\$5,108	\$5,108	\$6,236	\$6,236	\$6,236
SML 930040	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SML 980116	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SML 120027	\$0	\$0	\$0	\$250	\$250	\$250	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Progress Bonus	\$0	\$0	\$0	\$72,000	\$0	\$0	\$0	\$0	\$50,000	\$0	\$25,000	\$0	\$0	\$50,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$176,364	\$104,364	\$104,364	\$104,364	\$126,904	\$176,904	\$126,904	\$151,904	\$105,561	\$105,561	\$155,561	\$105,561	\$35,570	\$10,570	\$10,570	\$10,570	\$10,570	\$6,236	\$6,236	\$6,236	\$6,236

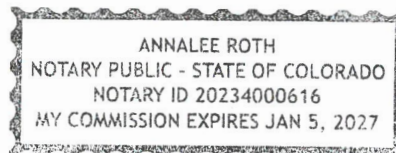
Check FALSE

Location	Cats - Payment Schedule	DIP Order granted	Start work date	Deposit	Mob Costs	Success Fee
Kucy	14-Aug	14-Aug	14-Aug	50,000		
Kucy	17-Aug		17-Aug		22,000	
Buska	10-Sep		10-Sep			50,000
SML060060 Pit	30-Sep		30-Sep			25,000
MacDonald	15-Oct		15-Oct			50,000
	01-Nov		01-Nov			25,000

This is **Exhibit "F"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado





[Royal Canadian Mounted Police \(/en/home\)](#)

[Home](#) → [RCMP in Alberta](#) → [Crime statistics](#) → Data - Bonnyville Municipal Detachment

Data - Bonnyville Municipal Detachment

First Quarter Data 2023

Year to date percentage change in key property crime indicator offence counts for the periods January to March 2022 and January to March 2023 in Bonnyville Municipal Detachment.

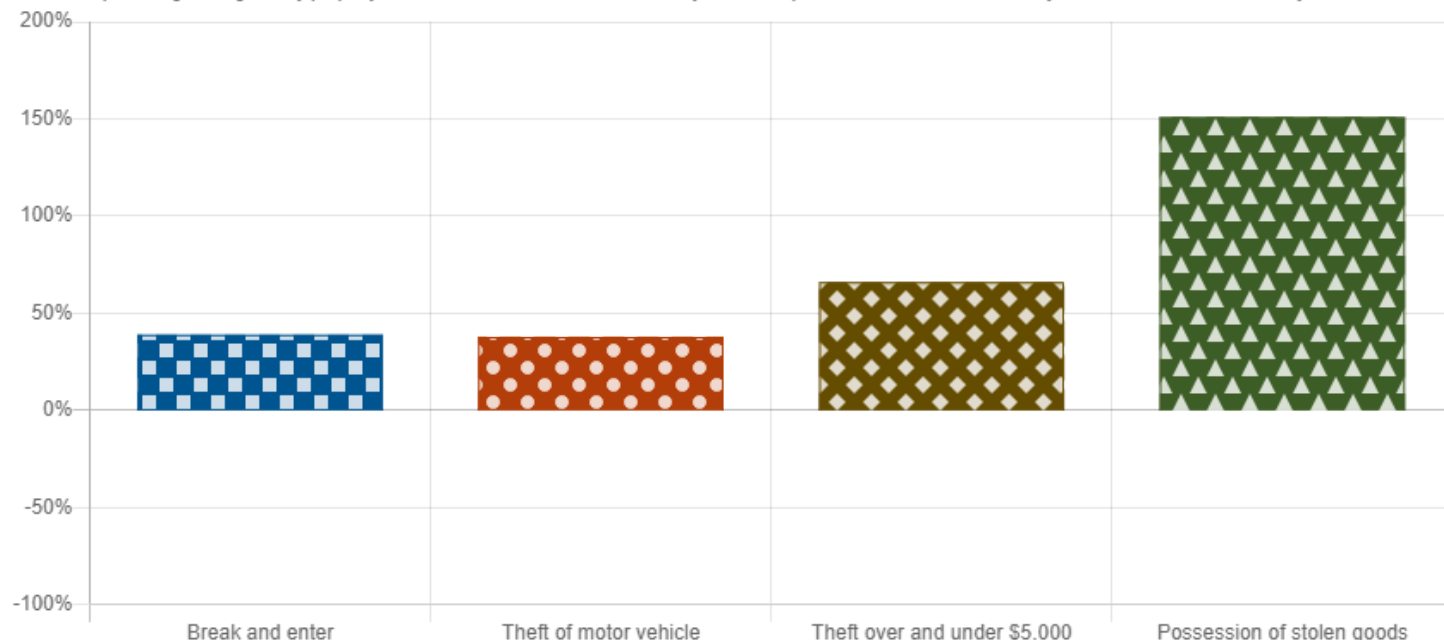


Changes in key property crime indicator offence counts for the periods January to March 2022 and January to March 2023 in Bonnyville Municipal Detachment.

	Break and enter	Theft of motor vehicle	Theft over and under \$5,000	Possession of stolen goods
January - March 2022	36	25	81	22
January - March 2023	27	38	61	15
Year to date percentage change	-25%	52%	-25%	-32%

Fourth Quarter Data 2022

Year to date percentage change in key property crime indicator offence counts in Bonnyville Municipal Detachment between January to December 2021 and January to December 2022.

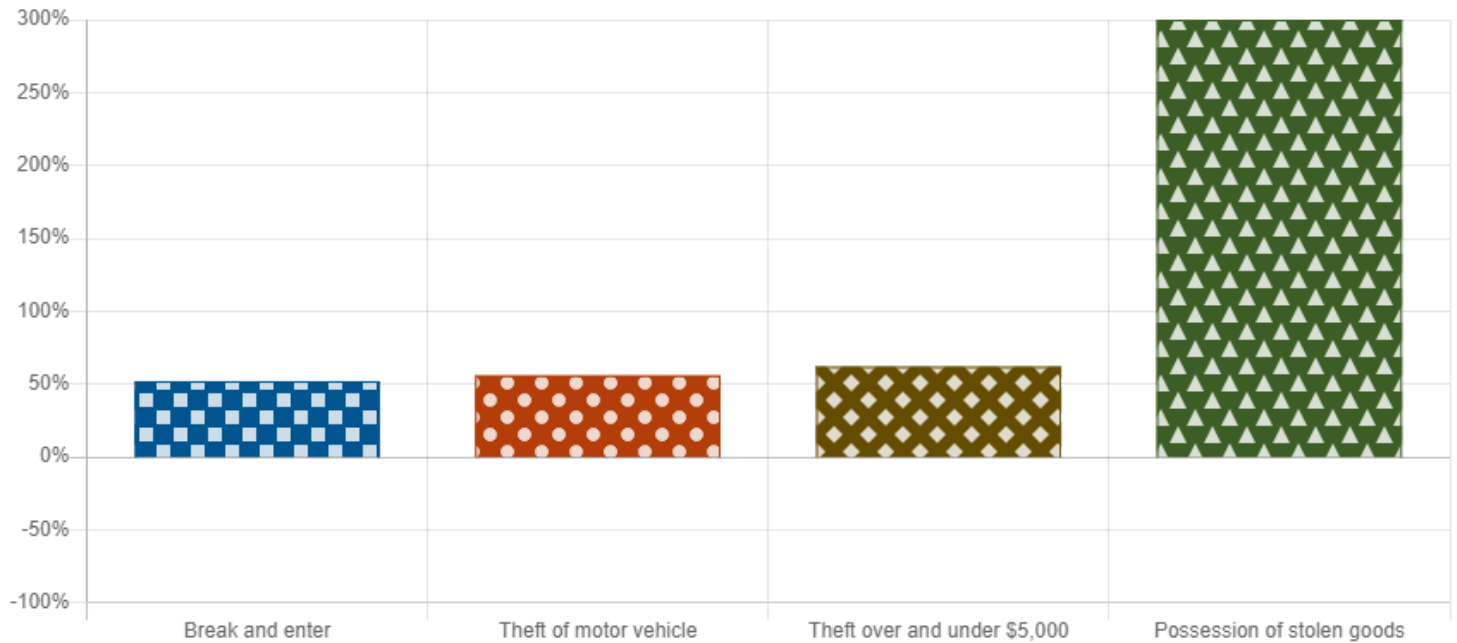


Changes in key property crime indicator offence counts for the periods January to December 2021 and January to December 2022 in Bonnyville Municipal Detachment.

	Break and enter	Theft of motor vehicle	Theft over and under \$5,000	Possession of stolen goods
January - December 2021	119	68	202	35
January - December 2022	165	94	336	88
Year to date percentage change	39%	38%	66%	151%

Third Quarter Data 2022

Year to date percentage change in key property crime indicator offence counts for the periods January to September 2021 and January to September 2022 in Bonnyville Municipal Detachment.

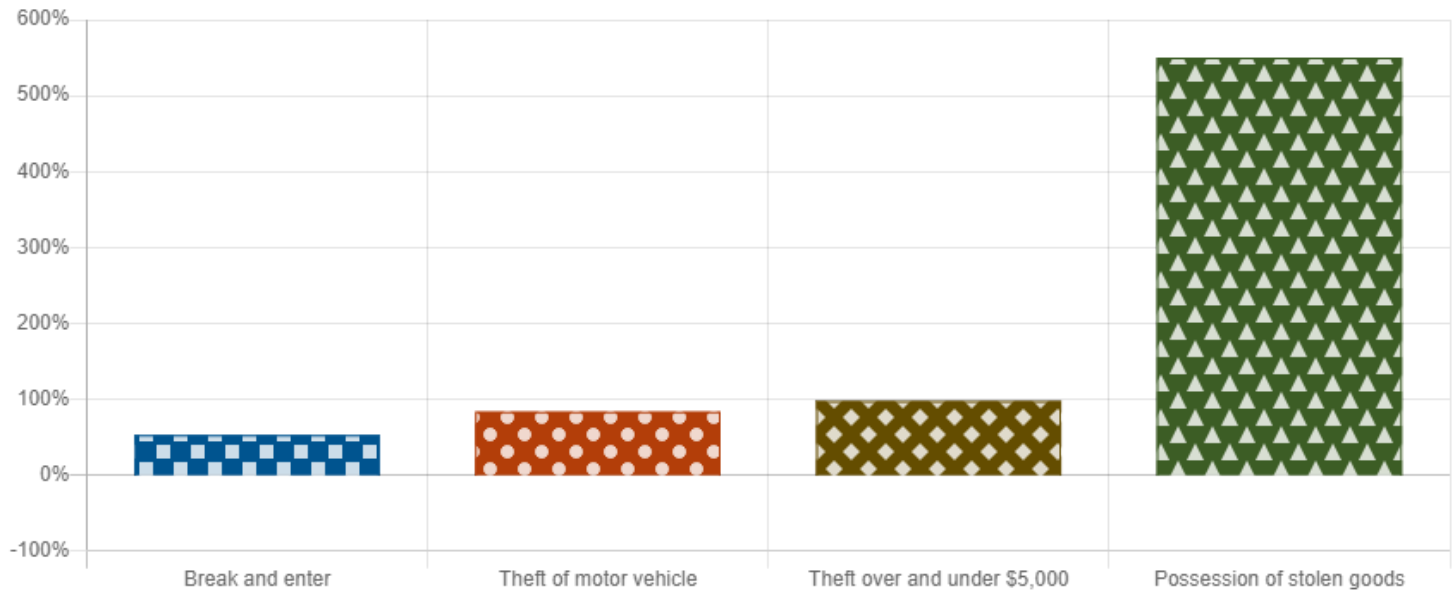


Changes in key property crime indicator offence counts for the periods January to September 2021 and January to September 2022 in Bonnyville Municipal Detachment.

	Break and enter	Theft of motor vehicle	Theft over and under \$5,000	Possession of stolen goods
January - September 2021	89	48	146	15
January - September 2022	135	75	237	60
Year to date percentage change	52%	56%	62%	300%

Second Quarter Data 2022

Year to date percentage change in key property crime indicator offence counts for the periods January to June 2021 and January to June 2022 in Bonnyville Municipal Detachment.



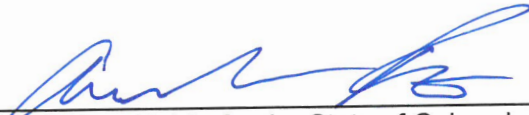
Changes in key property crime indicator offence counts for the periods January to June 2021 and January to June 2022 in Bonnyville Municipal Detachment.

	Break and enter	Theft of motor vehicle	Theft over and under \$5,000	Possession of stolen goods
January - June 2021	51	25	82	6
January - June 2022	78	46	162	39
Year to date percentage change	53%	84%	98%	550%

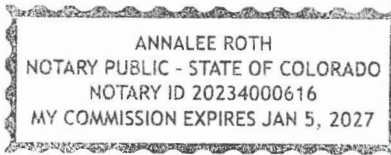
Date modified:

2023-05-12

This is **Exhibit "G"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



August 10, 2023

TO: Mantle Materials Group, Ltd.

Re: Interim Loan Facility in favour of Mantle Materials Group, Ltd. in its proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act*

CONTEXT:

A. On July 14, 2023 (the “**Filing Date**”), Mantle Materials Group, Ltd. (the “**Borrower**”) filed a notice of intention to make a proposal to its creditors (the “**Notice of Intention**”) under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”, and the proceedings commenced thereby, the “**Proposal Proceedings**”) and FTI Consulting Canada Inc. was named as its proposal trustee (in such capacity, the “**Trustee**”).

B. The Borrower has requested that RLF Canada Lender Limited (the “**Lender**”) provide to the Borrower the Interim Facility during the Proposal Proceedings secured by a first ranking charge and security interest created by Order of the Court in the Proposal Proceedings under section 50.6 of the BIA, and the Lender has agreed to provide the Interim Facility on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINED TERMS

Unless otherwise defined herein, capitalized words and phrases used in this Agreement have the meanings given in **Schedule “A”**.

2. INTERIM FACILITY

2.1 Interim Facility

- (a) Subject to the terms and conditions of this Agreement, the Lender establishes in favour of the Borrower a non-revolving interim loan facility in an aggregate principal amount of up to but not exceeding \$2,200,000 (the “**Maximum Availability**”, and such interim loan facility, the “**Interim Facility**”).
- (b) Subject to Section **Error! Reference source not found.**, the availability of any Advance shall be subject to the following requirements:
 - (i) the Borrower shall have have requested such Advance by notice in writing to the Lender, copied to the Trustee, setting out the amount, purpose and payee of the Advance, specifying the line items of the Cash Flow Projections supporting the Advance, confirming the continuing accuracy of the representations and warranties in Section 5.1 and the satisfaction of the Advance Conditions, that there are no continuing Events of Default, or any qualifications to the foregoing

(with reasonable detail), and the date on which the Advance is required (the “**Requested Advance Date**”, and such notice, the “**Advance Notice**”), which Advance Notice shall be delivered to the Lender not less than two (2) Business Days prior to the Requested Advance Date;

- (ii) the Trustee shall have verified to the Lender that the Advance is supported by the Cash Flow Projections;
 - (iii) following the satisfaction and/or waiver of the Advance Conditions, provided if in the period between the Signing Date and the date the Interim Financing Order is pronounced, the Borrower is required to pay emergency expenses that are contemplated by the Cash Flow Projections, and the Trustee consents to such payments, the Lender may in its absolute discretion make one or more Advances to the Borrower or as the Borrower directs to pay such Emergency Expenses, without prejudice to the Lender’s right to insist upon the satisfaction of all of the Advance Conditions for any other Advance.
- (c) Provided that the requirements of Section 2.1(b) are satisfied, on the Requested Advance Date the Lender deposit such Advance into the Borrower’s Operating Account or transfer proceeds of the Advance in accordance with the Advance Notice.

2.2 Purpose

- (a) The Borrower shall use the Advances solely for the following purposes:
- (i) to fund the reasonable and documented fees and expenses of the Trustee, counsel to the Trustee and counsel to the Borrower in accordance with the Cash Flow Projections, whether incurred before or subsequent to the Filing Date or the date of the Interim Financing Order;
 - (ii) to fund the performance and satisfaction of the Borrower’s Environmental Obligations;
 - (iii) to fund the operating expenses of the Borrower necessary for the preservation and orderly liquidation of its business and the sale of its assets during the Proposal Proceedings, and in accordance with the Cash Flow Projections, including Emergency Expenses incurred prior to the Filing Date or the date of the Interim Financing Order;
 - (iv) to pay all documented and reasonable legal fees and disbursements incurred by the Lender (A) prior to the Filing Date or the date of the Interim Financing Order in connection with the preparation for, initiation of and participation in the Proposal Proceedings, and (B) in connection with the negotiation of the Interim Facility and; and
 - (v) to fund such other costs and expenses which have been agreed to by the Lender from time to time in writing and consented to by the Trustee.

- (b) The Borrower may only use the Advances to pay any pre-filing obligations either (i) with the prior written consent of the Lender and Trustee and in accordance with the Cash Flow Projections or (ii) as authorized and directed by an Order of the Court.

2.3 Term and Repayment

- (a) The Interim Facility shall terminate on the earlier of the following dates (the “**Termination Date**”, or such later date as the Lender agrees to in writing, on such terms and subject to the satisfaction of such conditions as the Lender may stipulate in writing):
 - (i) the termination of the Interim Facility by notice by the Lender in writing upon the occurrence of an Event of Default;
 - (ii) the repayment in full of the Obligations; or
 - (iii) the termination of the stay of proceedings under section 69(1) of the BIA or the Proposal Proceedings.
- (b) Payments by the Borrower to the Lender under the Interim Facility shall be made as follows:
 - (i) the Borrower shall immediately repay to the Lender all outstanding Obligations on the Termination Date;
 - (ii) unless the Lender otherwise stipulates, the Borrower shall pay to the Lender:
 - (A) the net proceeds of sale, realization or disposition of any Property out of the ordinary course of business, or any sale of obsolete or worn out Property (net of transaction fees previously approved by the Lender, and applicable taxes in respect thereof); or
 - (B) the net proceeds of any insurance claim (excluding liability insurance) greater than \$10,000 made or settled by any Borrower;
- (c) provided the Trustee (i) is satisfied that the Borrower have sufficient cash reserves, and (ii) provides its consent, the Borrower may prepay any outstanding Obligations at any time prior to the Termination Date; and
- (d) with respect to any Advances made between the Signing Date and the date the Interim Financing Order is pronounced, unless the Lender agrees otherwise, such Advances shall be repaid by the Borrower from the proceeds of any accounts receivable received by it.

2.4 Interest

The Borrower shall pay interest on the outstanding Obligations from and including the date of each Advance, which will accrue in Canadian dollars at fourteen and a half percent (14.5%) per annum, calculated daily and compounded monthly on the basis of the actual number of days elapsed in a 365-day

or 366-day year, as applicable, and payable on the Termination Date. No commitment fees shall be payable to the Lender under this Agreement or the Interim Facility.

2.5 Cash Flow Projections

- (a) Attached as **Schedule "B"** is the revised rolling flow forecast of the cash receipts and cash disbursements of the Borrower for the period of August 12, 2023 to December 29, 2023, set forth on a weekly basis (such forecast, and the weekly updates being made during the Proposal Proceedings pursuant to Section 6.3(a), being referred to as the "**Cash Flow Projections**") which were prepared by the Borrower with the assistance of the Trustee and approved in form and substance by the Lender.
- (b) The Cash Flow Projections shall be updated by the Borrower with the assistance of the Trustee on a weekly basis, which updates shall include a comparison of actual receipts and disbursements of the prior week to projected receipts and disbursements for such period together with a Variance Report in respect of the prior week, which Cash Flow Projections and Variance Report shall be subject to the written approval of the Lender and the Trustee.
- (c) The Cash Flow Projections shall be certified by a Director of Borrower to be true, complete and accurate, and the Borrower acknowledges and agrees that the Lender is relying on such certification in determining whether to accept the Cash Flow Projections.

3. INTERIM CHARGE AND LOAN DOCUMENTS

3.1 Interim Charge

- (a) The Obligations (other than Advances made before the Interim Financing Order is pronounced) shall be secured by a second ranking super-priority security interest and charge created by the Court (the "**Interim Charge**") over all Property: (i) subject only to an Administration Charge securing a maximum amount not to exceed \$425,000; (ii) in priority to a Directors' Charge in securing a maximum amount of \$150,000; and (iii) in priority to all other Encumbrances against or attaching to the Property of any kind whatsoever.
- (b) The Interim Charge, Administration Charge and Directors' Charge shall be created by the Court pursuant to the Interim Financing Order on terms and conditions satisfactory to the Lender.
- (c) If the Borrower obtains any interim financing or similar financing from a Person other than the Lender that is approved by the Court and secured by a charge under to section 50.6 of the BIA or pursuant to an order appointing a receiver or receiver and manager of the Borrower or any of its Property following the date on which the Interim Financing Order is pronounced, such interim financing or similar financing shall rank subordinate in all respects to the Interim Charge and the Obligations.

3.2 **Loan Documents**

The Borrower shall enter into such loan and security documents as are reasonably required by the Lender and customary for transactions similar to the Interim Financing (collectively referred to as the “**Loan Documents**”), including the following:

- (a) if requested by the Lender, a blocked account agreement between the Borrower and the Lender, in form and substance acceptable to the Lender, in respect of the Operating Accounts; and
- (b) if requested by the Lender, the Lender shall be named as mortgagee and first loss payee on all property insurance and an additional insured on all liability insurance maintained by the Borrower, which insurance and its terms shall be satisfactory to the Lender.

4. **CONDITIONS PRECEDENT TO ADVANCES**

4.1 **Conditions Precedent**

The effectiveness of the Interim Facility and any obligation of the Lender to fund an Advance shall be subject to the following conditions precedents (collectively, the “**Advance Conditions**”) being satisfied or waived by on or before the Requested Advance Date:

- (a) the Borrower shall have fully executed this Agreement and any other Loan Documents;
- (b) the Court shall have issued the Interim Financing Order, and the Interim Financing Order shall not have been stayed, vacated, appealed, or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the Lender, without the written consent of the Lender, or if any Order is made staying, vacating or amending the Interim Financing Order, such Order shall have been reversed, vacated or over-turned on appeal;
- (c) the Borrower shall be in compliance with the terms and provisions of the Interim Finance Order;
- (d) the Lender shall be satisfied that no Encumbrance ranks in priority to the Interim Charge save and except for the Administration Charge and that the Interim Charge secures all Obligations;
- (e) no Event of Default shall have occurred and be continuing, or result from the making of such Advance;
- (f) the Borrower shall be in compliance in all material respects with all Applicable Laws;
- (g) the Lender shall have received a certificate from a Director of the Borrower in form and substance satisfactory to the Lender, acting reasonably, certifying that each of the representations and warranties made by the Borrower or pursuant to the Loan Documents are true and correct on and as of such date, after giving effect to such Advance;

- (h) the Trustee and Lender shall have approved of the most recent Cash Flow Projections and Variance Report and the Borrower shall be in compliance in all material respects with the most recent Cash Flow Projections approved by the Trustee and Lender; and
- (i) all unpaid documented and reasonable out-of-pocket legal fees and disbursements incurred by the Lender prior to the applicable Requested Advance Date shall be paid in full through deduction from such Advance.

4.2 **Waiver**

Each of the Advance Conditions is for the sole benefit of the Lender and may be waived in writing by the Lender in whole or in part on such terms and subject to such conditions as the Lender may stipulate, and the any such waiver shall only relate to the specific Advance Condition being waived for a specific Advance, and shall be without prejudice to the obligation to satisfy all Advance Conditions, including any previously waived Advance Conditions, for any subsequent Advance.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 **Representations and Warranties**

The Borrower represents and warrants to the Lender that:

- (a) the Borrower is duly incorporated, and has been duly continued and amalgamated and is validly existing under the laws of Alberta;
- (b) the Borrower has the power and authority to own or lease its Property and carry on business, has the corporate power enter into, execute, deliver and perform its obligations under this Agreement and the other Loan Documents, and has taken all corporate and other actions necessary to authorize the execution, delivery and performance of this Agreement and the other Loan Documents and to perform the transactions contemplated hereby and thereby;
- (c) subject to the obtaining of the Interim Financing Order:
 - (i) the execution, delivery and performance by the Borrower of this Agreement and any other Loan Documents do not, and will not, contravene, violate or result in a breach of their constating documents or Applicable Laws;
 - (ii) this Agreement and any other Loan Documents have been duly executed, delivered and authorized by the Borrower and constitute legal, valid and binding obligations, enforceable in accordance with their respective terms;
- (d) the Borrower is in material compliance with, and operates the business in material compliance with, all Applicable Laws and as of the Filing Date, was in compliance with its Environmental Obligations;
- (e) the Cash Flow Projections and any forward-looking statements, estimates, and pro forma financial information contained in the Cash Flow Projections and any Variance Report and

in any other document, certificate or statement furnished to the Lender or Trustee pursuant to this Agreement, are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, as certified by a Director, provided that the Cash Flow Projections and any such forward-looking statements, estimates, and pro forma financial information are not facts and are subject to material contingencies and assumptions, many of which are beyond the control of the Borrower, and that actual results during the period or periods covered by the Cash Flow Projections and any such forward-looking statements, estimates, and pro forma financial information may differ materially from the projected results;

- (f) the Borrower has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and risks as are customarily carried by companies engaged in similar businesses; and
- (g) the Borrower has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), sales taxes (both federal and provincial), payroll taxes and workers compensation payments, except for as contemplated in the Cash Flow Projections, and any taxes that are not yet due and payable or which are in dispute in which case appropriate reserves have been made.

5.2 **Reliance and Deemed Repetition of Representations and Warranties**

The Borrower acknowledges that the Lender is relying upon the representations and warranties set out in Section 5.1 in entering into this Agreement and making any Advances, and the Borrower shall be deemed to repeat such representations and warranties upon any Advances being made by the Lender.

6. **COVENANTS**

6.1 **Positive Covenants**

The Borrower covenants and agrees in favour of the Lender as follows:

- (a) during the Proposal Proceedings, the Borrower shall preserve, renew and keep in full force their corporate existence and Material Contracts to the extent they are required in the Proposal Proceedings;
- (b) the Borrower shall pay all Obligations in accordance with this Agreement and any other Loan Documents;
- (c) subject to the terms of the Interim Financing Order and the Cash Flow Projections, the Borrower shall pay all taxes that it is required under the BIA to pay during the Proposal Proceedings, except contested taxes for which appropriate reserves have been made, and make all remittances and tax returns and filings in respect of such taxes on a timely basis;

- (d) the Borrower shall comply with the Interim Financing Order and all other Orders of the Court in the Proposal Proceedings;
- (e) the Borrower shall utilize Advances solely for the purposes stated in Section 2.2 and as contemplated by the Cash Flow Projections;
- (f) the Borrower shall deliver to the Lender, the Trustee and its counsel draft copies of pleadings, applications, judicial or financial information and other documents to be filed by or on behalf of the Borrower with the Court in the Proposal Proceedings within a reasonable time prior to filing and serving the same in order to provide the Lender and Trustee with a reasonable period of time to review and comment upon such materials, all of which materials shall be in form and substance acceptable to the Lender, acting reasonably;
- (g) the Borrower shall allow the Lender and Trustee to have reasonable access during normal business hours and on reasonable notice to any Property and to the Borrower and its officers and employees in order to permit the Lender and Trustee to carry out any inspections, appraisals or field examinations of such Property and obtain information with respect to the Property and the business and financial condition of the Borrower (including to the books, records, financial information and electronic data rooms of or maintained by the Borrower), subject to solicitor-client privilege, all Orders of the Court and Applicable Laws relating to privacy and confidentiality obligations;
- (h) the Borrower shall direct management and any financial advisor and/or legal counsel of the Borrower, to cooperate with reasonable requests for information by the Lender and counsel and other advisors of the Lender, in each case subject to solicitor-client privilege, all court orders and applicable privacy laws, in connection with matters related to the Interim Facility or compliance of the Borrower with their obligations pursuant to this Agreement and subject to confidentiality obligations of the Lender and the Borrower;
- (i) the Borrower shall maintain adequate insurance in accordance with the Cash Flow Projections of such kinds and in such amounts and against such risks as is customary for the business of the Borrower with financially sound and reputable insurers in coverage and scope acceptable to the Lender, acting reasonably, with the Lender noted as loss payee on property insurance policies and additional insured on liability insurance policies;
- (j) subject to the terms of the Interim Financing Order, the Borrower shall comply with all Applicable Laws (including, without limitation, environmental, labour and employment, sanctions, anti-terrorist financing and anti-money laundering laws, and anti-corruption laws);
- (k) the Borrower shall pay all reasonable documented out-of-pocket legal fees and disbursements incurred by the Lender in connection with the Proposal Proceedings within five (5) Business Days of being invoiced therefor;
- (l) the Borrower shall maintain all Authorizations required under Applicable Laws from Governmental Authorities, including under Environmental Laws from Environmental Authorities; and

- (m) the Borrower shall cause all amounts paid to or collected by it to be deposited into its Operating Account.

6.2 Negative Covenants

The Borrower agrees not to do, or cause not to be done, the following, without the prior written consent of the Lender, any of the following:

- (a) the Borrower shall not make any payment or disbursement on account of Indebtedness that:
 - (i) arose or accrued subsequent to the Filing Date where such payment or disbursement is not contemplated by the Cash Flow Projections, unless such payment or disbursement is approved by the Lender and Trustee or by Order of the Court; or
 - (ii) arose or accrued prior to the Filing Date other than any Emergency Expense that is approved of by the Lender and Trustee and is contemplated by the Cash Flow Projections, or is otherwise permitted by an Order of the Court;
- (b) subsequent to the Filing Date, the Borrower shall not create or suffer to exist any Indebtedness, or make or incur capital expenditures or obligations, other than (i) Indebtedness in existence as of the Filing Date and disclosed to the Lender and Trustee in writing; (ii) the Obligations; (iii) post Filing Date trade payables, other post Filing Date unsecured obligations or other post Filing Date capital obligations, or (iv) the Environmental Obligations, provided that in each of the cases referred to in (i) to (iv), such items are contemplated by the Cash Flow Projections;
- (c) the Borrower shall not terminate or amend, or waive compliance with any provision of, any Material Contract in any material manner without the consent in writing of the Lender and Trustee;
- (d) the Borrower shall not make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority other than as required or permitted pursuant to the Cash Flow Projections in order to perform its Environmental Obligations and approved of by the Lender and Trustee;
- (e) the Borrower shall not create, incur or suffer to exist any Encumbrances (including any lease and sale back arrangements) over the Property other than Encumbrances in existence on the Filing Date and the BIA Charges, or permit or suffer to exist any Encumbrance ranking senior to or *pari passu* with the BIA Charges;
- (f) the Borrower shall not transfer, sell, lease, assign or otherwise dispose of any Property without the consent of the Trustee, the Lender and any Person holding a Security Interest against such Property which is subordinate only to the BIA Charges, other than inventory sold in the ordinary course of business to Persons at arms' length to the Borrower;

- (g) the Borrower shall not apply for or consent to any Order in the Proposal Proceedings, or seek to vary, supplement, revoke, terminate or discharge the Interim Financing Order, without the prior written approval of the Lender and Trustee, acting reasonably;
- (h) the Borrower shall not enter into any settlement agreement or any settlement arrangements with any Governmental Authority without the prior written consent of the Lender and Trustee; or
- (i) the Borrower shall not maintain or open any account with any bank, financial institution or other Person other than the Operating Accounts.

6.3 Reporting Requirements

The Borrower covenants and agrees to and in favour of the Lender as follows:

- (a) the Borrower shall prepare and deliver to the Lender and Trustee at the end of each week during the Proposal Proceedings:
 - (i) updated Cash Flow Projections for the next consecutive 13 week period; and
 - (ii) a variance report comparing the actual cash receipts and cash disbursements for the preceding week to the projected cash receipts and cash disbursements provided for such week in the most recently delivered Cash Flow Projections, together with an explanation therefor (a "**Variance Report**");
- (b) the Borrower shall deliver to the Lender and Trustee:
 - (i) promptly upon the request of the Lender or Trustee, any other operating and capital projections, budgets, estimates, analysis, and timelines as the Lender and/or Trustee may reasonably request;
 - (ii) promptly upon the request of the Lender or Trustee, copies of all Material Contracts, and amendments, and provide notice to the Lender and their respective counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrower in respect of such Material Contract;
 - (iii) within ten (10) days of the beginning of each calendar month, evidence of payment of all remittances owing by the Borrower to any Governmental Authorities in respect of sales tax, goods and services tax and employee source deductions and confirmation that they are in good standing;
 - (iv) on the last Business Day of every other week, a status report and such other updated information relating to the conduct of the business, the Proposal Proceedings, any other process or agreement for the sale of any assets of the

Borrower, and such other information as may be requested by the Lender and/or the Trustee, in form and substance acceptable to the Lender; and

- (v) promptly upon the request of the Lender or Trustee, such other information as the Lender and/or Trustee may reasonably request,

provided that with respect to any information requested by the Trustee, the Borrower shall not be required to provide any information subject to confidentiality obligations binding upon the Borrower or to solicitor-client privilege;

- (c) the Borrower shall, promptly upon becoming aware thereof, provide details of the following to the Lender:
 - (i) copies of all material correspondence and notices received by the Borrower from any Environmental Authority or other Governmental Authority with respect to any Authorizations of the Borrower and compliance therewith or any regulatory or other investigations into the Borrower or its business;
 - (ii) any pending, threatened or potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, Environmental Authority or other Governmental Authority;
 - (iii) any existing (or threatened in writing) default or dispute with respect to any of the Material Contracts;
 - (iv) the occurrence of an Event of Default or any event or circumstances that would constitute an Event of Default or a material adverse change from the Cash Flow Projections; and
 - (v) any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and
- (d) on the second Friday of each month following the Filing Date, the Borrower shall organize meetings of the Borrower, the Trustee and Secured Lenders by video conference in order to provide the Secured Lenders with updates on material developments during the Proposal Proceedings and address and provide such information as is reasonably required by the Secured Lenders with respect to the Borrower, the Property, the status of the performance of the Borrowers' Environmental Obligations and the anticipated next steps in respect of the forgoing.

7. EVENTS OF DEFAULT AND REMEDIES

7.1 Events of Default

The occurrence of any one or more of the following shall constitute an event of default (each an "**Event of Default**") under this Agreement:

- (a) the non-payment when due of any Obligations or the breach or default by the Borrower in the performance of any of its obligations under this Agreement or any other Loan Document, or any representation or warranty made in this Agreement or any other Loan Document is or becomes false or inaccurate in any material respect;
- (b) if any proceeding is commenced or consented to by the Borrower challenging the validity, priority, perfection or enforceability of the Interim Charge, the validity and enforceability of the Obligations, or the validity and enforceability of this Agreement or any other Loan Document;
- (c) if the amount or priority of any BIA Charge is varied without the consent of the Lender;
- (d) if the Interim Financing Order is not made by the Court by August 15, 2023 or such other date acceptable to the Lender or if the Interim Financing Order, once granted by the Court, is at any time appealed, amended, supplemented, stayed, terminated or discharged, whether in part or in whole, without the consent of the Lender, and such appeal is not dismissed or supplement, stay, termination or discharge is not set aside;
- (e) the issuance of any Order of the Court (i) dismissing the Proposal Proceedings or lifting the stay of proceedings therein to permit the enforcement of any Encumbrance against the Borrower or any Property, (ii) appointing a receiver, receiver and manager, interim receiver, trustee in bankruptcy, proposal trustee or similar trustee in respect of any Borrower any Property, (iii) granting any Encumbrance that is in priority to or *pari passu* with the Interim Charge, (iv) refusing to extend the stay of proceedings under section 50.2(9) of the BIA, (v) contravening or inconsistent with this Agreement in a manner which adversely affects the Lender, or (vi) staying, reversing, vacating or otherwise modifying any Order granted in the Proposal Proceedings without the prior written consent of the Lender and in a manner adversely affects the Lender;
- (f) the non-compliance by the Borrower with the terms of the Interim Financing Order or any other Order issued in the Proposal Proceedings;
- (g) the non-compliance by the Borrower with the Cash Flow Projections by making payments to Persons not contemplated thereby or where there are variances between actual and projected expenses or cash receipts in excess of twenty-five percent (25%) for any rolling three (3) week period;
- (h) if any Order is made by the Court that contravenes or is inconsistent with this Agreement or the other Loan Documents which adversely affect the interests of the Lender, or which is not in form and substance acceptable to the Lender, as determined by the Lender, acting reasonably; or
- (i) any event or occurrence that has a Material Adverse Effect on the Borrower, its business or the Property.

7.2 Remedies

- (a) Immediately upon the occurrence of an Event of Default, and subject to Applicable Law, the Lender shall have the right but not the obligation to:
 - (i) declare that the commitment under the Interim Facility to be expired and any obligation to make any Advances to be terminated, whereupon the Lender shall have no obligation to make any further Advances;
 - (ii) declare in writing the entire amount of the Obligations to be immediately due and payable, without the necessity of further presentment for payment, notice of non-payment or notice of protest (all of which are hereby expressly waived), whereupon all Obligations shall become due and payable by the Borrower;
 - (iii) subject to the applicable provisions of the Interim Financing Order, set-off or combine any amounts then owing by the Lender to the Borrower against the obligations of the Borrower to the Lender;
 - (iv) subject to the applicable provisions of the Interim Financing Order, exercise any and all rights and remedies available to the Lender under the BIA, the PPSA or any other Applicable Law, in equity, pursuant to this Agreement, the Loan Documents or otherwise;
 - (v) apply to the Court for an Order, on terms acceptable to the Lender, for the appointment of a receiver, interim receiver, or receiver and manager, and/or analogous party, in respect of the Borrower and some or all of its Property, or for an Order declaring the Borrower bankrupt; and
 - (vi) apply to the Court for an order, on terms acceptable to the Trustee and the Lender, providing the Trustee with the power, in the name of and on behalf of one or more of the Borrower, to take all necessary steps in the Proposal Proceedings.
- (b) The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available under Applicable Law.

8. EXPENSES, INDEMNITIES AND TAXES

8.1 Expenses

The Borrower shall pay, on demand, all reasonable fees and documented fees, costs and expenses of the Lender incurred in connection with the preparation, due diligence, negotiation, execution, amendment, administration, and enforcement of the Interim Facility, this Agreement, the other Loan Documents and with respect to the Proposal Proceedings (including all legal fees, disbursements and other charges (the foregoing whether or not the transactions contemplated herein are completed)).

8.2 Indemnity

- (a) The Borrower agrees to indemnify and hold harmless the Lender (and its Affiliates and their respective officers, directors, employees, advisors and agents) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the fees, disbursements and other charges of counsel to the indemnified parties and, if a conflict of interest exists, one additional counsel to the affected indemnified parties and, if necessary, of one special counsel and one local counsel in any relevant jurisdiction) (excluding indirect or consequential damages, punitive damages, and claims for lost profits), incurred in connection with the financing contemplated hereby or the use of proceeds of the Interim Facility and, upon demand, to pay and reimburse for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from such Person's gross negligence or willful misconduct.
- (b) The indemnities granted under this Agreement shall survive any termination of the Interim Facility.

8.3 Taxes, Yield Protection and Increased Costs

- (a) All loan repayments and prepayments will be made free and clear of Taxes. If any Taxes are Withholding Taxes from any amount payable to the Lender under this Agreement, the amount so payable to the Lender shall be increased to the extent necessary to yield to the Lender on a net basis after payment of all Withholding Taxes, the amount payable under such this Agreement at the rate or in the amount specified herein and the Borrower shall provide evidence satisfactory to the Lender that the Taxes have been so withheld and remitted.
- (b) If the Borrower pay an additional amount to the Lender to account for any deduction or withholding, the Lender shall reasonably cooperate with the Borrower to obtain a refund of the amounts so withheld, including filing income tax returns in applicable jurisdictions, claiming a refund of such tax and providing evidence of entitlement to the benefits of any applicable tax treaty. The amount of any refund so received, and interest paid by the tax authority with respect to any refund, shall be paid over by the Lender to the applicable Borrower promptly. If reasonably requested by the Borrower, the Lender shall apply to the relevant taxing authority to obtain a waiver from such withholding requirement, and the Lender shall cooperate with the Borrower and assist the Borrower to minimize the amount of deductions or withholdings required.

9. ASSIGNMENTS AND PARTICIPATIONS

9.1 Assignments

- (a) The Borrower cannot assign any of their respective rights or obligations under this Agreement or the other Loan Documents without the prior written consent of the Lender.
- (b) The Lender may assign or otherwise grant participations in this Agreement and its rights and obligations under this Agreement and the other Loan Documents, in whole or in part,

to any party acceptable to the Lender provided that any assignment of the entire obligation of the Lender under this Agreement without recourse to the Lender shall be subject to (i) the Lender providing the Trustee with evidence in form and substance satisfactory to the Trustee, acting reasonably, that such assignee has the financial capacity to fulfill the obligations of the Lender hereunder, and (ii) the assignee entering into an agreement with the Borrower (the consent to which cannot be unreasonably withheld) to confirm such assignment.

9.2 Participations

The Lender may at any time, without the consent of, or notice to, the Borrower or the Trustee, sell participations to any Person (other than a natural person) (each, a “Participant”) in all or a portion of the Lender’s rights and/or obligations under this Agreement (including all or a portion of the Obligations); provided that: (i) the Lender’s obligations under this Agreement shall remain unchanged; (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender’s rights and obligations under this Agreement. Any payment by a Participant in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

10. GENERAL PROVISIONS

10.1 Interpretation

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.
- (b) The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule to this Agreement unless otherwise specified.
- (d) Unless otherwise specified in this Agreement (i) time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends, and (ii) if the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- (e) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

- (f) References to an amount of money in this Agreement will, unless otherwise expressly stated, be to that amount in Canadian Dollars.
- (g) The approval or consent by the Lender shall be construed to mean the approval or consent in writing by an authorised person designated by the Lender in writing and in the sole and absolute discretion of the Lender, which approval or consent may be unreasonably withheld, denied or delayed.
- (h) This Agreement and any other Loan Documents have been negotiated by each of the parties hereto and thereto with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement or other Loan Documents.

10.2 **Governing Law**

- (a) This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Alberta and the laws of Canada applicable in that Province.
- (b) The Borrower and the Lender hereby attorn to the exclusive jurisdiction of the Court with respect to all matters arising under or in connection with this Agreement.

10.3 **Entire Agreement**

This Agreement, together with any Loan Documents, constitutes the entire agreement between the Borrower and Lender pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Borrower and Lender, and there are no representations, warranties or other agreements between the Borrower and Lender, express or implied, pertaining to that subject matter.

10.4 **Severability**

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

10.5 **Amendment and Waiver**

Except as otherwise provided in this Agreement, no amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by party to be bound. No waiver of, failure to exercise, or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

10.6 Further Assurances

Except as otherwise provided in this Agreement, the Borrower will, upon request of the Lender and at the Borrower's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the Lender to give effect to this Agreement, and without limiting the generality of this Section 10.6 will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by in order to obtain any Orders of the Court.

10.7 Time of the Essence

Time is of the essence in this Agreement.

10.8 Enurement

This Agreement enures to the benefit of and is binding upon the Borrower and Lender and their respective successors and permitted assigns.

10.9 Survival

All indemnities set out in this Agreement will survive the repayment of all Obligations and the termination of this Agreement for a period of two years.

10.10 No Third-Party Beneficiary

No Person, other than the Borrower, the Lender and the indemnified parties under Section 8.2, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any other party.

10.11 Notice

Except as otherwise expressly provided for in this Agreement, any notice must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any notice must be sent to the intended recipient at the addresses provided by each party to the other, or at any other address as any Party may at any time advise the others by notice given or made in accordance with this Section 10.11. Any notice delivered to a party hereto will be deemed to have been given or made and received on the day it is delivered at such party's address, provided that if that day is not a Business Day then the notice will be deemed to have been given or made and received on the next Business Day. Any notice sent by prepaid registered mail will be deemed to have been given or made and received on the fifth (5th) Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every notice must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any notice transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the notice is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the notice will be deemed to have been given or made and received on the next Business Day.

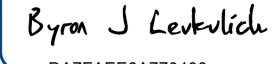
10.12 Creation and Use of Electronic Document, Electronic Signatures and Counterparts

This Agreement and any counterpart of it may be (a) created, provided, received, retained and otherwise used, and will be accepted, in any digital, electronic or other intangible form, (b) signed by manual, digital or other electronic signatures and delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission, and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Lender and Borrower, and signed and delivered by the Lender and Borrower in counterparts, with the same effect as if each of such parties had signed and delivered the same document, and that execution and delivery will be valid and legally effective.

[SIGNATURE PAGES FOLLOW]

EACH OF the Lender and Borrower have executed and delivered this Agreement as of the date set out above.

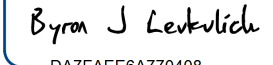
RLF Canada Lender Limited

By: DocuSigned by:

DA7FAEE6A770408...

Name: Byron J Levkulich

Title: Director

Mantle Materials Group, Ltd.

By: DocuSigned by:

DA7FAEE6A770408...

Name: Byron J Levkulich

Title: Director

SCHEDULE "A"
Defined Terms

Capitalized terms not otherwise defined in the Agreement shall have the following meanings:

"Administration Charge" means a charge and security interest created by the Court in the Interim Financing Order pursuant to section 64.2 of the BIA to secure the payment of the professional fees and disbursements of the Trustee, counsel to the Trustee and counsel to the Borrower, in the aggregate maximum amount of \$425,000.

"Advance" means an advance of money by the Lender under the Interim Facility.

"Advance Conditions" is defined in Section 4.1.

"Advance Notice" is defined in Section **Error! Reference source not found.**

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

"Agreement" means this interim facility loan agreement, as amended, supplemented, modified or restated from time to time.

"Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

"Applicable Law" means, at any time, any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law, any judgment, order, writ, injunction, decision, ruling, decree or award issued or made by any Governmental Authority, any regulatory policy, practice, guideline or directive of any Governmental Authority, or any other Authorization, in each case binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person.

"Authorization" means any authorization, order, permit, approval, grant, licence, qualification, consent, exemption, waiver, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over any Person, including any permit, license, authorization, approval, waiver, consent surface material lease, development agreement or similar document issued by an Environmental Authority.

"BIA" is defined in Context paragraph A.

"BIA Charges" means the Administration Charge, the Interim Charge and the Directors' Charge.

"Borrower" is defined in Context paragraph A.

"Business Day" means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario are not open for business.

“**Cash Flow Projections**” is defined in Section 2.5(a).

“**Court**” means the Court of King’s Bench of Alberta or any appeal court therefrom.

“**Director**” means a director of the Borrower at any time in the period following the Filing Date.

“**Directors’ Charge**” means a charge and security interest created by the Court pursuant to section 64.1 of the BIA in favour of Directors and officers of the Borrower to indemnify such Directors and officers against obligations and liabilities that they may incur as a director or officer after the Filing Date, other than for obligations or liabilities incurred by a Director or officer as a result of the Director’s or officer’s gross negligence or wilful misconduct, which obligations and liabilities secured against shall not exceed the aggregate maximum amount of \$150,000.

“**Encumbrance**” means any lien, Security Interest, trust (including any deemed, statutory or constructive trust), encumbrance and statutory preference of every kind and nature whatsoever, including any construction trust pursuant to the *Builders’ Lien Act* (Alberta) as amended or otherwise.

“**Emergency Expense**” means any critical expenditure necessary for the preservation and orderly liquidation of business and property of the Borrower where the failure to pay immediately may materially and adversely affect the Borrower, its property, its stakeholders or the ability of the Borrower to satisfy its Environmental Obligations.

“**Environmental Activity**” means any past, present or future activity, event or circumstance in respect of any Hazardous Materials, including their storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or their Release, escape, leaching, dispersal or migration into or movement through the Natural Environment.

“**Environmental Authorities**” means Governmental Authorities responsible for the enforcement of or regulatory activities under Environmental Laws.

“**Environmental Laws**” means, at any time, all Applicable Laws relating to Hazardous Materials, Environmental Activity and to the protection and regulation of the Natural Environment, or to human health and safety as it relates to Environmental Activity or the Natural Environment.

“**Environmental Liabilities**” means all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges and expenses of any kind suffered by or against any Person or its business or Property, including or as a result of any order, investigation or action by any Governmental Authority, arising from or with respect to any one or more of the following:

- (a) the Release, threat of Release or presence of any Hazardous Materials, affecting any Property, whether or not originating or emanating from a Person’s Property or any contiguous Real Property or immovable Property, including any loss of value of any Property as a result of that Release, threat of Release or presence of any Hazardous Materials;
- (b) the Release of any Hazardous Materials owned by, or under the charge, management or Control of, that Person, or any predecessor or assignor of that Person;
- (c) liability incurred under any Environmental Laws for any costs incurred by any Governmental Authority or any other Person, or for damages from injury to, destruction

of, or loss of natural resources in relation to, a Person's Property or related Property, including the reasonable costs of assessing that injury, destruction or loss; and

- (d) liability for personal injury or Property damage arising in connection with breach of any Environmental Laws, including by reason of any civil law offences or quasi-criminal offences or under any statutory or common law tort or similar theory, including damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at, near, or with respect to a Person's Property or elsewhere.

"Environmental Obligations" means the Environmental Liabilities in connection with its Property that the Borrower is required to perform or rectify under and pursuant to Environmental Laws and actions or Authorizations taken or issued by Environmental Authorities in connection therewith, including under environmental protection orders, surface material leases, royalty agreements, activities plans, plans in response to environmental protection orders and similar documents.

"Equity Interest" means with respect to any Person, any share, interest, unit, trust unit, partnership, membership or other interest, participation or other equivalent rights in the Person's equity or capital, however designated, whether voting or non-voting, whether now outstanding or issued after the date hereof, together with any warrant, option or other right to acquire any such equity interest of such Person and such security convertible into or exchangeable for any such equity interest of such Person.

"Event of Default" is defined in Section 7.1.

"Filing Date" is defined in Context paragraph A.

"Governmental Authority" means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.

"Hazardous Materials" means any substance that when Released into the Natural Environment creates a material risk of causing material harm or degradation, immediately or at some future time, to the Natural Environment, or any ascertainable risk to human health or safety, including any pollutant, contaminant, waste, hazardous waste, dangerous goods (as defined by applicable Environmental Laws), asbestos and polychlorinated biphenyls.

"Indebtedness" means, with respect to a Person, the following: (a) all obligations of such Person that would be considered to be indebtedness for borrowed money (including by way of overdraft and drafts or orders accepted representing extensions of credit) that are evidenced by bonds, debentures, notes or any other agreement or instrument; (b) reimbursement obligations under bankers' acceptances and contingent obligations of such Person in respect of any letter of credit, letter of guarantee or similar instrument; (c) any Equity Interest of that Person, which Equity Interest, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof; (d) all obligations of such Person for the deferred purchase price of assets or services which constitute indebtedness; (e) all capital lease obligations of such Person, obligations under synthetic leases, obligations under sale and leaseback

transactions (unless the lease component of the sale and leaseback transaction is an operating lease) and indebtedness under arrangements relating to purchase money liens and other obligations in respect of the deferred purchase price of property and services; and (f) the amount of the contingent obligations of such Person under any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), indemnity or other financial assistance or other agreement assuring payment or performance of any obligation in any manner of any part or all of an obligation of another Person of the type included in subsections (a) through (e) above.

“**Interim Charge**” is defined in Section 3.1(a).

“**Interim Facility**” is defined in Section 2.1(a).

“**Interim Financing Order**” means an Order of the Court substantially in the form of the Interim Financing Order attached as **Schedule “C”**, with such changes as are acceptable to the Lender, which shall, *inter alia*: (a) approve the Interim Facility and this Agreement; (b) create the Interim Charge in a principal amount equal to the Maximum Availability; (c) declare that the Interim Charge ranks first in priority to any and all Encumbrances affecting the Property, and subject only to the Administration Charge; (d) treat the Lender as an unaffected creditor in respect of the Obligations in any proposal filed by the Borrower under the BIA; (e) create the Administration Charge; and (f) create the Directors’ Charge; and provide such other relief as agreed to by the Lender.

“**Lender**” is defined in Context paragraph B.

“**Loan Documents**” is defined in Section 3.2.

“**Material Adverse Effect**” means any such matter, event or circumstance that, individually, or in the aggregate could be expected to have a material adverse effect on: (a) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Borrower; (b) the validity or enforceability of this Agreement or any other Loan Document; (c) the validity or priority of the Interim Charge; (d) the rights or remedies of the Lender under this Agreement or any other Loan Document; or (e) the ability of any Borrower to perform any of its material payment obligations under this Agreement or any other Loan Document.

“**Material Contract**” means any contract, licence or agreement: (i) to which the Borrower is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of the Borrower; and (iii) which the Borrower cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

“**Maximum Availability**” is defined in Section 2.1(a).

“**Natural Environment**” means the air, land, subsoil and water (including surface water and ground water), or any combination or part of them.

“**Notice**” means all notices, requests, consents, claims, demands, waivers and other communications hereunder.

“**Obligations**” means, at any time, all of the indebtedness, liabilities and obligations, absolute or contingent, direct or indirect, matured or not matured, liquidated or unliquidated, of the Borrower to the Lender arising under the Interim Facility or created by reason of or relating to this Agreement or any other Loan Document and all expenses and charges, whether for legal expenses or otherwise, incurred by the

Lender in collecting or enforcing any of the Obligations or in realizing on or protecting or preserving Interim Charge.

“**Operating Accounts**” means the bank accounts of the Borrower approved by the Lender and designated by the Borrower and the Lenders in writing to receive Advances and from which to make payments in accordance with the Cash Flow Projections, and “**Operating Account**” means any one of them.

“**Order**” means any Order of the Court in the Proposal Proceedings.

“**Participant**” is defined in Section 9.2.

“**Person**” means an individual, partnership, corporation, business trust, limited liability company, trust, unincorporated association, joint venture, estate, Governmental Authority or other entity of whatever nature.

“**PPSA**” means the *Personal Property Security Act (Alberta)*, as amended, or similar legislation in any jurisdiction.

“**Property**” means all of the present and after-acquired undertaking, property and assets of the Borrower, whether real or personal or tangible or intangible, including any interest in real property pursuant to any royalty agreement or surface material lease, and all proceeds thereof.

“**Proposal Proceedings**” is defined in Context paragraph A.

“**Release**” includes deposit, leak, emit, add, spray, inject, inoculate, abandon, spill, seep, pour, empty, throw, dump, place and exhaust, and when used as a noun has a corresponding meaning.

“**Requested Advance Date**” is defined in Section **Error! Reference source not found.**

“**Security Interest**” means any charge, mortgage, hypothec, pledge or security interest created by an agreement between two or more Persons.

“**Signing Date**” means the time and date on which this Agreement is fully executed and delivered by the Lender and Borrower.

“**Taxes**” means any taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country.

“**Termination Date**” means the date the Interim Facility terminates in accordance with Section 2.2.

“**Trustee**” is defined in Context paragraph A.

“**Variance Report**” is defined in Section 6.3(a).

“**Withholding Taxes**” means any Taxes that are required by the Applicable Law to be withheld.


SCHEDULE "B"
Cash Flow Projections

See attached

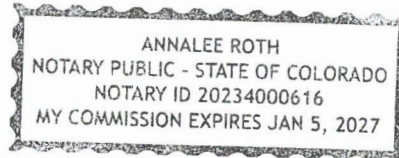
SCHEDULE "C"
Form of Interim Financing Order

See attached

This is **Exhibit "H"** referred to in the Affidavit of
Byron Levkulich sworn before me this 11th day of August, 2023



A Notary Public for the State of Colorado



August ~~21~~10, 2023

TO: Mantle Materials Group, Ltd.

Re: Interim Loan Facility in favour of Mantle Materials Group, Ltd. in its proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act*

CONTEXT:

A. On July 14, 2023 (the “**Filing Date**”), Mantle Materials Group, Ltd. (the “**Borrower**”) filed a notice of intention to make a proposal to its creditors (the “**Notice of Intention**”) under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”, and the proceedings commenced thereby, the “**Proposal Proceedings**”) and FTI Consulting Canada Inc. was named as its proposal trustee (in such capacity, the “**Trustee**”).

B. The Borrower has requested that RLF Canada Lender Limited (the “**Lender**”) provide to the Borrower the Interim Facility during the Proposal Proceedings secured by a first ranking charge and security interest created by Order of the Court in the Proposal Proceedings under section 50.6 of the BIA, and the Lender has agreed to provide the Interim Facility on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINED TERMS

Unless otherwise defined herein, capitalized words and phrases used in this Agreement have the meanings given in **Schedule “A”**.

2. INTERIM FACILITY

2.1 Interim Facility

- (a) Subject to the terms and conditions of this Agreement, the Lender establishes in favour of the Borrower a non-revolving interim loan facility in an aggregate principal amount of up to but not exceeding ~~\$1,400,000~~\$2,200,000 (the “**Maximum Availability**”, and such interim loan facility, the “**Interim Facility**”).
- (b) Subject to Section 2.1(c), the availability of any Advance shall be subject to the following requirements:
 - (i) the Borrower shall have have requested such Advance by notice in writing to the Lender, copied to the Trustee, setting out the amount, purpose and payee of the Advance, specifying the line items of the Cash Flow Projections supporting the Advance, confirming the continuing accuracy of the

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representations and warranties in Section 5.1 and the satisfaction of the Advance Conditions, that there are no continuing Events of Default, or any qualifications to the foregoing (with reasonable detail), and the date on which the Advance is required (the “**Requested Advance Date**”, and such notice, the “**Advance Notice**”), which Advance Notice shall be delivered to the Lender not less than two (2) Business Days prior to the Requested Advance Date;

- (ii) the Trustee shall have verified to the Lender that the Advance is supported by the Cash Flow Projections;
 - (iii) following the satisfaction and/or waiver of the Advance Conditions, provided if in the period between the Signing Date and the date the Interim Financing Order is pronounced, the Borrower is required to pay emergency expenses that are contemplated by the Cash Flow Projections, and the Trustee consents to such payments, the Lender may in its absolute discretion make one or more Advances to the Borrower or as the Borrower directs to pay such Emergency Expenses, without prejudice to the Lender’s right to insist upon the satisfaction of all of the Advance Conditions for any other Advance.
- (c) Provided that the requirements of Section 2.1(b) are satisfied, on the Requested Advance Date the Lender deposit such Advance into the Borrower’s Operating Account or transfer proceeds of the Advance in accordance with the Advance Notice.

2.2 Purpose

- (a) The Borrower shall use the Advances solely for the following purposes:
- (i) to fund the reasonable and documented fees and expenses of the Trustee, counsel to the Trustee and counsel to the Borrower in accordance with the Cash Flow Projections, whether incurred before or subsequent to the Filing Date or the date of the Interim Financing Order;
 - (ii) to fund the performance and satisfaction of the Borrower’s Environmental Obligations;
 - (iii) to fund the operating expenses of the Borrower necessary for the preservation and orderly liquidation of its business and the sale of its assets during the Proposal Proceedings, and in accordance with the Cash Flow Projections, including Emergency Expenses incurred prior to the Filing Date or the date of the Interim Financing Order;
 - (iv) to pay all documented and reasonable legal fees and disbursements incurred by the Lender (A) prior to the Filing Date or the date of the Interim Financing Order in connection with the preparation for, initiation of and participation in the Proposal Proceedings, and (B) in connection with the negotiation of the Interim Facility and; and

- (v) to fund such other costs and expenses which have been agreed to by the Lender from time to time in writing and consented to by the Trustee.
- (b) The Borrower may only use the Advances to pay any pre-filing obligations either (i) with the prior written consent of the Lender and Trustee and in accordance with the Cash Flow Projections or (ii) as authorized and directed by an Order of the Court.

2.3 Term and Repayment

- (a) The Interim Facility shall terminate on the earlier of the following dates (the “**Termination Date**”, or such later date as the Lender agrees to in writing, on such terms and subject to the satisfaction of such conditions as the Lender may stipulate in writing):
 - (i) the termination of the Interim Facility by notice by the Lender in writing upon the occurrence of an Event of Default;
 - (ii) the repayment in full of the Obligations; or
 - (iii) the termination of the stay of proceedings under section 69(1) of the BIA or the Proposal Proceedings.
- (b) Payments by the Borrower to the Lender under the Interim Facility shall be made as follows:
 - (i) the Borrower shall immediately repay to the Lender all outstanding Obligations on the Termination Date;
 - (ii) unless the Lender otherwise stipulates, the Borrower shall pay to the Lender:
 - (A) the net proceeds of sale, realization or disposition of any Property out of the ordinary course of business, or any sale of obsolete or worn out Property (net of transaction fees previously approved by the Lender, and applicable taxes in respect thereof); or
 - (B) the net proceeds of any insurance claim (excluding liability insurance) greater than \$10,000 made or settled by any Borrower;
- (c) provided the Trustee (i) is satisfied that the Borrower have sufficient cash reserves, and (ii) provides its consent, the Borrower may prepay any outstanding Obligations at any time prior to the Termination Date; and
- (d) with respect to any Advances made between the Signing Date and the date the Interim Financing Order is pronounced, unless the Lender agrees otherwise, such Advances shall be repaid by the Borrower from the proceeds of any accounts receivable received by it.

2.4 Interest

The Borrower shall pay interest on the outstanding Obligations from and including the date of each Advance, which will accrue in Canadian dollars at fourteen and a half percent (14.5%) per annum, calculated daily and compounded monthly on the basis of the actual number of days elapsed in a 365-day or 366-day year, as applicable, and payable on the Termination Date. No commitment fees shall be payable to the Lender under this Agreement or the Interim Facility.

2.5 Cash Flow Projections

- (a) Attached as **Schedule "B"** is the first revised rolling ~~13-week cash~~ flow forecast of the cash receipts and cash disbursements of the Borrower for the ~~immediately following consecutive 13 weeks~~ period of August 12, 2023 to December 29, 2023, set forth on a weekly basis, ~~commencing as of the Filing Date~~ (such forecast, and the weekly updates being made during the Proposal Proceedings pursuant to Section 6.3(a), being referred to as the "**Cash Flow Projections**") which were prepared by the Borrower with the assistance of the Trustee and approved in form and substance by the Lender.
- (b) The Cash Flow Projections shall be updated by the Borrower with the assistance of the Trustee on a weekly basis, which updates shall include a comparison of actual receipts and disbursements of the prior week to projected receipts and disbursements for such period together with a Variance Report in respect of the prior week, which Cash Flow Projections and Variance Report shall be subject to the written approval of the Lender and the Trustee.
- (c) The Cash Flow Projections shall be certified by a Director of Borrower to be true, complete and accurate, and the Borrower acknowledges and agrees that the Lender is relying on such certification in determining whether to accept the Cash Flow Projections.

3. INTERIM CHARGE AND LOAN DOCUMENTS

3.1 Interim Charge

- (a) The Obligations (other than Advances made before the Interim Financing Order is pronounced) shall be secured by a second ranking super-priority security interest and charge created by the Court (the "**Interim Charge**") over all Property: (i) subject only to an Administration Charge securing a maximum amount not to exceed \$425,000; (ii) in priority to a Directors' Charge in securing a maximum amount of \$150,000; and (iii) in priority to all other Encumbrances against or attaching to the Property of any kind whatsoever.
- (b) The Interim Charge, Administration Charge and Directors' Charge shall be created by the Court pursuant to the Interim Financing Order on terms and conditions satisfactory to the Lender.

- (c) If the Borrower obtains any interim financing or similar financing from a Person other than the Lender that is approved by the Court and secured by a charge under to section 50.6 of the BIA or pursuant to an order appointing a receiver or receiver and manager of the Borrower or any of its Property following the date on which the Interim Financing Order is pronounced, such interim financing or similar financing shall rank subordinate in all respects to the Interim Charge and the Obligations.

3.2 Loan Documents

The Borrower shall enter into such loan and security documents as are reasonably required by the Lender and customary for transactions similar to the Interim Financing (collectively referred to as the “**Loan Documents**”), including the following:

- (a) if requested by the Lender, a blocked account agreement between the Borrower and the Lender, in form and substance acceptable to the Lender, in respect of the Operating Accounts; and
- (b) if requested by the Lender, the Lender shall be named as mortgagee and first loss payee on all property insurance and an additional insured on all liability insurance maintained by the Borrower, which insurance and its terms shall be satisfactory to the Lender.

4. CONDITIONS PRECEDENT TO ADVANCES

4.1 Conditions Precedent

The effectiveness of the Interim Facility and any obligation of the Lender to fund an Advance shall be subject to the following conditions precedents (collectively, the “**Advance Conditions**”) being satisfied or waived by on or before the Requested Advance Date:

- (a) the Borrower shall have fully executed this Agreement and any other Loan Documents;
- (b) the Court shall have issued the Interim Financing Order, and the Interim Financing Order shall not have been stayed, vacated, appealed, or otherwise caused to be ineffective or amended, restated or modified in any manner that adversely affects the Lender, without the written consent of the Lender, or if any Order is made staying, vacating or amending the Interim Financing Order, such Order shall have been reversed, vacated or over-turned on appeal;
- (c) the Borrower shall be in compliance with the terms and provisions of the Interim Finance Order;
- (d) the Lender shall be satisfied that no Encumbrance ranks in priority to the Interim Charge save and except for the Administration Charge and that the Interim Charge secures all Obligations;
- (e) no Event of Default shall have occurred and be continuing, or result from the making of such Advance;

- (f) the Borrower shall be in compliance in all material respects with all Applicable Laws;
- (g) the Lender shall have received a certificate from a Director of the Borrower in form and substance satisfactory to the Lender, acting reasonably, certifying that each of the representations and warranties made by the Borrower or pursuant to the Loan Documents are true and correct on and as of such date, after giving effect to such Advance;
- (h) the Trustee and Lender shall have approved of the most recent Cash Flow Projections and Variance Report and the Borrower shall be in compliance in all material respects with the most recent Cash Flow Projections approved by the Trustee and Lender; and
- (i) all unpaid documented and reasonable out-of-pocket legal fees and disbursements incurred by the Lender prior to the applicable Requested Advance Date shall be paid in full through deduction from such Advance.

4.2 **Waiver**

Each of the Advance Conditions is for the sole benefit of the Lender and may be waived in writing by the Lender in whole or in part on such terms and subject to such conditions as the Lender may stipulate, and the any such waiver shall only relate to the specific Advance Condition being waived for a specific Advance, and shall be without prejudice to the obligation to satisfy all Advance Conditions, including any previously waived Advance Conditions, for any subsequent Advance.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 **Representations and Warranties**

The Borrower represents and warrants to the Lender to the Lender that:

- (a) the Borrower is duly incorporated, and has been duly continued and amalgamated and is validly existing under the laws of Alberta;
- (b) the Borrower has the power and authority to own or lease its Property and carry on business, has the corporate power enter into, execute, deliver and perform its obligations under this Agreement and the other Loan Documents, and has taken all corporate and other actions necessary to authorize the execution, delivery and performance of this Agreement and the other Loan Documents and to perform the transactions contemplated hereby and thereby;
- (c) subject to the obtaining of the Interim Financing Order:
 - (i) the execution, delivery and performance by the Borrower of this Agreement and any other Loan Documents do not, and will not, contravene, violate or result in a breach of their constating documents or Applicable Laws;

- (ii) this Agreement and any other Loan Documents have been duly executed, delivered and authorized by the Borrower and constitute legal, valid and binding obligations, enforceable in accordance with their respective terms;
- (d) the Borrower is in material compliance with, and operates the business in material compliance with, all Applicable Laws and as of the Filing Date, was in compliance with its Environmental Obligations;
- (e) the Cash Flow Projections and any forward-looking statements, estimates, and pro forma financial information contained in the Cash Flow Projections and any Variance Report and in any other document, certificate or statement furnished to the Lender or Trustee pursuant to this Agreement, are based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, as certified by a Director, provided that the Cash Flow Projections and any such forward-looking statements, estimates, and pro forma financial information are not facts and are subject to material contingencies and assumptions, many of which are beyond the control of the Borrower, and that actual results during the period or periods covered by the Cash Flow Projections and any such forward-looking statements, estimates, and pro forma financial information may differ materially from the projected results;
- (f) the Borrower has in full force and effect policies of insurance with sound and reputable insurance companies in such amounts, with such deductibles and risks as are customarily carried by companies engaged in similar businesses; and
- (g) the Borrower has filed in a timely fashion all required tax returns and reports (except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred) and paid all required taxes and remittances, including all employee source deductions (including income taxes, employment insurance and Canada pension plans), sales taxes (both federal and provincial), payroll taxes and workers compensation payments, except for as contemplated in the Cash Flow Projections, and any taxes that are not yet due and payable or which are in dispute in which case appropriate reserves have been made.

5.2 Reliance and Deemed Repetition of Representations and Warranties

The Borrower acknowledges that the Lender is relying upon the representations and warranties set out in Section 5.1 in entering into this Agreement and making any Advances, and the Borrower shall be deemed to repeat such representations and warranties upon any Advances being made by the Lender.

6. COVENANTS

6.1 Positive Covenants

The Borrower covenants and agrees in favour of the Lender as follows:

- (a) during the Proposal Proceedings, the Borrower shall preserve, renew and keep in full force their corporate existence and Material Contracts to the extent they are required in the Proposal Proceedings;
- (b) the Borrower shall pay all Obligations in accordance with this Agreement and any other Loan Documents;
- (c) subject to the terms of the Interim Financing Order and the Cash Flow Projections, the Borrower shall pay all taxes that it is required under the BIA to pay during the Proposal Proceedings, except contested taxes for which appropriate reserves have been made, and make all remittances and tax returns and filings in respect of such taxes on a timely basis;
- (d) the Borrower shall comply with the Interim Financing Order and all other Orders of the Court in the Proposal Proceedings;
- (e) the Borrower shall utilize Advances solely for the purposes stated in Section 2.2 and as contemplated by the Cash Flow Projections;
- (f) the Borrower shall deliver to the Lender, the Trustee and its counsel draft copies of pleadings, applications, judicial or financial information and other documents to be filed by or on behalf of the Borrower with the Court in the Proposal Proceedings within a reasonable time prior to filing and serving the same in order to provide the Lender and Trustee with a reasonable period of time to review and comment upon such materials, all of which materials shall be in form and substance acceptable to the Lender, acting reasonably;
- (g) the Borrower shall allow the Lender and Trustee to have reasonable access during normal business hours and on reasonable notice to any Property and to the Borrower and its officers and employees in order to permit the Lender and Trustee to carry out any inspections, appraisals or field examinations of such Property and obtain information with respect to the Property and the business and financial condition of the Borrower (including to the books, records, financial information and electronic data rooms of or maintained by the Borrower), subject to solicitor-client privilege, all Orders of the Court and Applicable Laws relating to privacy and confidentiality obligations;
- (h) the Borrower shall direct management and any financial advisor and/or legal counsel of the Borrower, to cooperate with reasonable requests for information by the Lender and counsel and other advisors of the Lender, in each case subject to solicitor-client privilege, all court orders and applicable privacy laws, in connection with matters related to the Interim Facility or compliance of the Borrower with their obligations pursuant to this Agreement and subject to confidentiality obligations of the Lender and the Borrower;
- (i) the Borrower shall maintain adequate insurance in accordance with the Cash Flow Projections of such kinds and in such amounts and against such risks as is customary for

the business of the Borrower with financially sound and reputable insurers in coverage and scope acceptable to the Lender, acting reasonably, with the Lender noted as loss payee on property insurance policies and additional insured on liability insurance policies;

- (j) subject to the terms of the Interim Financing Order, the Borrower shall comply with all Applicable Laws (including, without limitation, environmental, labour and employment, sanctions, anti-terrorist financing and anti-money laundering laws, and anti-corruption laws);
- (k) the Borrower shall pay all reasonable documented out-of-pocket legal fees and disbursements incurred by the Lender in connection with the Proposal Proceedings within five (5) Business Days of being invoiced therefor;
- (l) the Borrower shall maintain all Authorizations required under Applicable Laws from Governmental Authorities, including under Environmental Laws from Environmental Authorities; and
- (m) the Borrower shall cause all amounts paid to or collected by it to be deposited into its Operating Account.

6.2 Negative Covenants

The Borrower agrees not to do, or cause not to be done, the following, without the prior written consent of the Lender, any of the following:

- (a) the Borrower shall not make any payment or disbursement on account of Indebtedness that:
 - (i) arose or accrued subsequent to the Filing Date where such payment or disbursement is not contemplated by the Cash Flow Projections, unless such payment or disbursement is approved by the Lender and Trustee or by Order of the Court; or
 - (ii) arose or accrued prior to the Filing Date other than any Emergency Expense that is approved of by the Lender and Trustee and is contemplated by the Cash Flow Projections, or is otherwise permitted by an Order of the Court;
- (b) subsequent to the Filing Date, the Borrower shall not create or suffer to exist any Indebtedness, or make or incur capital expenditures or obligations, other than (i) Indebtedness in existence as of the Filing Date and disclosed to the Lender and Trustee in writing; (ii) the Obligations; (iii) post Filing Date trade payables, other post Filing Date unsecured obligations or other post Filing Date capital obligations, or (iv) the Environmental Obligations, provided that in each of the cases referred to in (i) to (iv), such items are contemplated by the Cash Flow Projections;

- (c) the Borrower shall not terminate or amend, or waive compliance with any provision of, any Material Contract in any material manner without the consent in writing of the Lender and Trustee;
- (d) the Borrower shall not make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority other than as required or permitted pursuant to the Cash Flow Projections in order to perform its Environmental Obligations and approved of by the Lender and Trustee;
- (e) the Borrower shall not create, incur or suffer to exist any Encumbrances (including any lease and sale back arrangements) over the Property other than Encumbrances in existence on the Filing Date and the BIA Charges, or permit or suffer to exist any Encumbrance ranking senior to or *pari passu* with the BIA Charges;
- (f) the Borrower shall not transfer, sell, lease, assign or otherwise dispose of any Property without the consent of the Trustee, the Lender and any Person holding a Security Interest against such Property which is subordinate only to the BIA Charges, other than inventory sold in the ordinary course of business to Persons at arms' length to the Borrower;
- (g) the Borrower shall not apply for or consent to any Order in the Proposal Proceedings, or seek to vary, supplement, revoke, terminate or discharge the Interim Financing Order, without the prior written approval of the Lender and Trustee, acting reasonably;
- (h) the Borrower shall not enter into any settlement agreement or any settlement arrangements with any Governmental Authority without the prior written consent of the Lender and Trustee; or
- (i) the Borrower shall not maintain or open any account with any bank, financial institution or other Person other than the Operating Accounts.

6.3 Reporting Requirements

The Borrower covenants and agrees to and in favour of the Lender as follows:

- (a) the Borrower shall prepare and deliver to the Lender and Trustee at the end of each week during the Proposal Proceedings:
 - (i) updated Cash Flow Projections for the next consecutive 13 week period; and
 - (ii) a variance report comparing the actual cash receipts and cash disbursements for the preceding week to the projected cash receipts and cash disbursements provided for such week in the most recently delivered Cash Flow Projections, together with an explanation therefor (a "**Variance Report**");
- (b) the Borrower shall deliver to the Lender and Trustee:

- (i) promptly upon the request of the Lender or Trustee, any other operating and capital projections, budgets, estimates, analysis, and timelines as the Lender and/or Trustee may reasonably request;
- (ii) promptly upon the request of the Lender or Trustee, copies of all Material Contracts, and amendments, and provide notice to the Lender and their respective counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrower in respect of such Material Contract;
- (iii) within ten (10) days of the beginning of each calendar month, evidence of payment of all remittances owing by the Borrower to any Governmental Authorities in respect of sales tax, goods and services tax and employee source deductions and confirmation that they are in good standing;
- (iv) on the last Business Day of every other week, a status report and such other updated information relating to the conduct of the business, the Proposal Proceedings, any other process or agreement for the sale of any assets of the Borrower, and such other information as may be requested by the Lender and/or the Trustee, in form and substance acceptable to the Lender; and
- (v) promptly upon the request of the Lender or Trustee, such other information as the Lender and/or Trustee may reasonably request,

provided that with respect to any information requested by the Trustee, the Borrower shall not be required to provide any information subject to confidentiality obligations binding upon the Borrower or to solicitor-client privilege;

- (c) the Borrower shall, promptly upon becoming aware thereof, provide details of the following to the Lender:
 - (i) copies of all material correspondence and notices received by the Borrower from any Environmental Authority or other Governmental Authority with respect to any Authorizations of the Borrower and compliance therewith or any regulatory or other investigations into the Borrower or its business;
 - (ii) any pending, threatened or potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower, by or before any court, tribunal, Environmental Authority or other Governmental Authority;
 - (iii) any existing (or threatened in writing) default or dispute with respect to any of the Material Contracts;

- (iv) the occurrence of an Event of Default or any event or circumstances that would constitute an Event of Default or a material adverse change from the Cash Flow Projections; and
 - (v) any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and
- (d) on the second Friday of each month following the Filing Date, the Borrower shall organize meetings of the Borrower, the Trustee and Secured Lenders by video conference in order to provide the Secured Lenders with updates on material developments during the Proposal Proceedings and address and provide such information as is reasonably required by the Secured Lenders with respect to the Borrower, the Property, the status of the performance of the Borrowers' Environmental Obligations and the anticipated next steps in respect of the forgoing.

7. EVENTS OF DEFAULT AND REMEDIES

7.1 Events of Default

The occurrence of any one or more of the following shall constitute an event of default (each an “**Event of Default**”) under this Agreement:

- (a) the non-payment when due of any Obligations or the breach or default by the Borrower in the performance of any of its obligations under this Agreement or any other Loan Document, or any representation or warranty made in this Agreement or any other Loan Document is or becomes false or inaccurate in any material respect;
- (b) if any proceeding is commenced or consented to by the Borrower challenging the validity, priority, perfection or enforceability of the Interim Charge, the validity and enforceability of the Obligations, or the validity and enforceability of this Agreement or any other Loan Document;
- (c) if the amount or priority of any BIA Charge is varied without the consent of the Lender;
- (d) if the Interim Financing Order is not made by the Court by August 15, 2023 or such other date acceptable to the Lender or if the Interim Financing Order, once granted by the Court, is at any time appealed, amended, supplemented, stayed, terminated or discharged, whether in part or in whole, without the consent of the Lender, and such appeal is not dismissed or supplement, stay, termination or discharge is not set aside;
- (e) the issuance of any Order of the Court (i) dismissing the Proposal Proceedings or lifting the stay of proceedings therein to permit the enforcement of any Encumbrance against the Borrower or any Property, (ii) appointing a receiver, receiver and manager, interim receiver, trustee in bankruptcy, proposal trustee or similar trustee in respect of any Borrower any Property, (iii) granting any Encumbrance that is in priority to or *pari passu* with the Interim Charge, (iv) refusing to extend the stay of proceedings under section

50.2(9) of the BIA, (v) contravening or inconsistent with this Agreement in a manner which adversely affects the Lender, or (vi) staying, reversing, vacating or otherwise modifying any Order granted in the Proposal Proceedings without the prior written consent of the Lender and in a manner adversely affects the Lender;

- (f) the non-compliance by the Borrower with the terms of the Interim Financing Order or any other Order issued in the Proposal Proceedings;
- (g) the non-compliance by the Borrower with the Cash Flow Projections by making payments to Persons not contemplated thereby or where there are variances between actual and projected expenses or cash receipts in excess of twenty-five percent (25%) for any rolling three (3) week period;
- (h) if any Order is made by the Court that contravenes or is inconsistent with this Agreement or the other Loan Documents which adversely affect the interests of the Lender, or which is not in form and substance acceptable to the Lender, as determined by the Lender, acting reasonably; or
- (i) any event or occurrence that has a Material Adverse Effect on the Borrower, its business or the Property.

7.2 Remedies

- (a) Immediately upon the occurrence of an Event of Default, and subject to Applicable Law, the Lender shall have the right but not the obligation to:
 - (i) declare that the commitment under the Interim Facility to be expired and any obligation to make any Advances to be terminated, whereupon the Lender shall have no obligation to make any further Advances;
 - (ii) declare in writing the entire amount of the Obligations to be immediately due and payable, without the necessity of further presentment for payment, notice of non-payment or notice of protest (all of which are hereby expressly waived), whereupon all Obligations shall become due and payable by the Borrower;
 - (iii) subject to the applicable provisions of the Interim Financing Order, set-off or combine any amounts then owing by the Lender to the Borrower against the obligations of the Borrower to the Lender;
 - (iv) subject to the applicable provisions of the Interim Financing Order, exercise any and all rights and remedies available to the Lender under the BIA, the PPSA or any other Applicable Law, in equity, pursuant to this Agreement, the Loan Documents or otherwise;
 - (v) apply to the Court for an Order, on terms acceptable to the Lender, for the appointment of a receiver, interim receiver, or receiver and manager, and/or

analogous party, in respect of the Borrower and some or all of its Property, or for an Order declaring the Borrower bankrupt; and

(vi) apply to the Court for an order, on terms acceptable to the Trustee and the Lender, providing the Trustee with the power, in the name of and on behalf of one or more of the Borrower, to take all necessary steps in the Proposal Proceedings.

(b) The rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available under Applicable Law.

8. EXPENSES, INDEMNITIES AND TAXES

8.1 Expenses

The Borrower shall pay, on demand, all reasonable fees and documented fees, costs and expenses of the Lender incurred in connection with the preparation, due diligence, negotiation, execution, amendment, administration, and enforcement of the Interim Facility, this Agreement, the other Loan Documents and with respect to the Proposal Proceedings (including all legal fees, disbursements and other charges (the foregoing whether or not the transactions contemplated herein are completed)).

8.2 Indemnity

(a) The Borrower agrees to indemnify and hold harmless the Lender (and its Affiliates and their respective officers, directors, employees, advisors and agents) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities (including the fees, disbursements and other charges of counsel to the indemnified parties and, if a conflict of interest exists, one additional counsel to the affected indemnified parties and, if necessary, of one special counsel and one local counsel in any relevant jurisdiction) (excluding indirect or consequential damages, punitive damages, and claims for lost profits), incurred in connection with the financing contemplated hereby or the use of proceeds of the Interim Facility and, upon demand, to pay and reimburse for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim, except to the extent they result from such Person's gross negligence or willful misconduct.

(b) The indemnities granted under this Agreement shall survive any termination of the Interim Facility.

8.3 Taxes, Yield Protection and Increased Costs

(a) All loan repayments and prepayments will be made free and clear of Taxes. If any Taxes are Withholding Taxes from any amount payable to the Lender under this Agreement, the amount so payable to the Lender shall be increased to the extent necessary to yield to the Lender on a net basis after payment of all Withholding Taxes, the amount

payable under such this Agreement at the rate or in the amount specified herein and the Borrower shall provide evidence satisfactory to the Lender that the Taxes have been so withheld and remitted.

- (b) If the Borrower pay an additional amount to the Lender to account for any deduction or withholding, the Lender shall reasonably cooperate with the Borrower to obtain a refund of the amounts so withheld, including filing income tax returns in applicable jurisdictions, claiming a refund of such tax and providing evidence of entitlement to the benefits of any applicable tax treaty. The amount of any refund so received, and interest paid by the tax authority with respect to any refund, shall be paid over by the Lender to the applicable Borrower promptly. If reasonably requested by the Borrower, the Lender shall apply to the relevant taxing authority to obtain a waiver from such withholding requirement, and the Lender shall cooperate with the Borrower and assist the Borrower to minimize the amount of deductions or withholdings required.

9. ASSIGNMENTS AND PARTICIPATIONS

9.1 Assignments

- (a) The Borrower cannot assign any of their respective rights or obligations under this Agreement or the other Loan Documents without the prior written consent of the Lender.
- (b) The Lender may assign or otherwise grant participations in this Agreement and its rights and obligations under this Agreement and the other Loan Documents, in whole or in part, to any party acceptable to the Lender provided that any assignment of the entire obligation of the Lender under this Agreement without recourse to the Lender shall be subject to (i) the Lender providing the Trustee with evidence in form and substance satisfactory to the Trustee, acting reasonably, that such assignee has the financial capacity to fulfill the obligations of the Lender hereunder, and (ii) the assignee entering into an agreement with the Borrower (the consent to which cannot be unreasonably withheld) to confirm such assignment.

9.2 Participations

The Lender may at any time, without the consent of, or notice to, the Borrower or the Trustee, sell participations to any Person (other than a natural person) (each, a “**Participant**”) in all or a portion of the Lender’s rights and/or obligations under this Agreement (including all or a portion of the Obligations); provided that: (i) the Lender’s obligations under this Agreement shall remain unchanged; (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender’s rights and obligations under this Agreement. Any payment by a Participant in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

10. GENERAL PROVISIONS

10.1 Interpretation

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.
- (b) The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule to this Agreement unless otherwise specified.
- (d) Unless otherwise specified in this Agreement (i) time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends, and (ii) if the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- (e) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.
- (f) References to an amount of money in this Agreement will, unless otherwise expressly stated, be to that amount in Canadian Dollars.
- (g) The approval or consent by the Lender shall be construed to mean the approval or consent in writing by an authorised person designated by the Lender in writing and in the sole and absolute discretion of the Lender, which approval or consent may be unreasonably withheld, denied or delayed.
- (h) This Agreement and any other Loan Documents have been negotiated by each of the parties hereto and thereto with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement or other Loan Documents.

10.2 Governing Law

- (a) This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Alberta and the laws of Canada applicable in that Province.

- (b) The Borrower and the Lender hereby attorn to the exclusive jurisdiction of the Court with respect to all matters arising under or in connection with this Agreement.

10.3 Entire Agreement

This Agreement, together with any Loan Documents, constitutes the entire agreement between the Borrower and Lender pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Borrower and Lender, and there are no representations, warranties or other agreements between the Borrower and Lender, express or implied, pertaining to that subject matter.

10.4 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part or the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

10.5 Amendment and Waiver

Except as otherwise provided in this Agreement, no amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by party to be bound. No waiver of, failure to exercise, or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section, whether or not similar, nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

10.6 Further Assurances

Except as otherwise provided in this Agreement, the Borrower will, upon request of the Lender and at the Borrower's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the Lender to give effect to this Agreement, and without limiting the generality of this Section 10.6 will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by in order to obtain any Orders of the Court.

10.7 Time of the Essence

Time is of the essence in this Agreement.

10.8 Enurement

This Agreement enures to the benefit of and is binding upon the Borrower and Lender and their respective successors and permitted assigns.

10.9 Survival

All indemnities set out in this Agreement will survive the repayment of all Obligations and the termination of this Agreement for a period of two years.

10.10 No Third-Party Beneficiary

No Person, other than the Borrower, the Lender and the indemnified parties under Section 8.2, is entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any other party.

10.11 Notice

Except as otherwise expressly provided for in this Agreement, any notice must be in writing and either delivered personally or by courier, sent by prepaid registered mail or transmitted by e-mail or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any notice must be sent to the intended recipient at the addresses provided by each party to the other, or at any other address as any Party may at any time advise the others by notice given or made in accordance with this Section 10.11. Any notice delivered to a party hereto will be deemed to have been given or made and received on the day it is delivered at such party's address, provided that if that day is not a Business Day then the notice will be deemed to have been given or made and received on the next Business Day. Any notice sent by prepaid registered mail will be deemed to have been given or made and received on the fifth (5th) Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every notice must be delivered personally or by courier or transmitted by e-mail or functionally equivalent electronic means of transmission. Any notice transmitted by e-mail or other functionally equivalent electronic means of transmission will be deemed to have been given or made and received on the day on which it is transmitted; but if the notice is transmitted on a day which is not a Business Day or after 5:00 pm (local time of the recipient), the notice will be deemed to have been given or made and received on the next Business Day.

10.12 Creation and Use of Electronic Document, Electronic Signatures and Counterparts

This Agreement and any counterpart of it may be (a) created, provided, received, retained and otherwise used, and will be accepted, in any digital, electronic or other intangible form, (b) signed by manual, digital or other electronic signatures and delivered or transmitted by any digital, electronic or other intangible means, including by e-mail or other functionally equivalent electronic means of transmission, and that execution, delivery and transmission will be valid and legally effective to create a valid and binding agreement between the Lender and Borrower, and signed and delivered by the Lender and Borrower in counterparts, with the same effect as if each of such parties had signed and delivered the same document, and that execution and delivery will be valid and legally effective.

[SIGNATURE PAGES FOLLOW]

EACH OF the Lender and Borrower have executed and delivered this Agreement as of the date set out above.

RLF Canada Lender Limited

By:

Name:

Title:

Mantle Materials Group, Ltd.

By:

Name:

Title:

SCHEDULE "A" Defined Terms

Capitalized terms not otherwise defined in the Agreement shall have the following meanings:

"Administration Charge" means a charge and security interest created by the Court in the Interim Financing Order pursuant to section 64.2 of the BIA to secure the payment of the professional fees and disbursements of the Trustee, counsel to the Trustee and counsel to the Borrower, in the aggregate maximum amount of \$425,000.

"Advance" means an advance of money by the Lender under the Interim Facility.

"Advance Conditions" is defined in Section 4.1.

"Advance Notice" is defined in Section 2.1(b)(ii).

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

"Agreement" means this interim facility loan agreement, as amended, supplemented, modified or restated from time to time.

"Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

"Applicable Law" means, at any time, any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law, any judgment, order, writ, injunction, decision, ruling, decree or award issued or made by any Governmental Authority, any regulatory policy, practice, guideline or directive of any Governmental Authority, or any other Authorization, in each case binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person.

"Authorization" means any authorization, order, permit, approval, grant, licence, qualification, consent, exemption, waiver, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over any Person, including any permit, license, authorization, approval, waiver, consent surface material lease, development agreement or similar document issued by an Environmental Authority.

"BIA" is defined in Context paragraph A.

"BIA Charges" means the Administration Charge, the Interim Charge and the Directors' Charge.

"Borrower" is defined in Context paragraph A.

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“Business Day” means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario are not open for business.

“Cash Flow Projections” is defined in Section 2.5(a).

“Court” means the Court of King’s Bench of Alberta or any appeal court therefrom.

“Director” means a director of the Borrower at any time in the period following the Filing Date.

“Directors’ Charge” means a charge and security interest created by the Court pursuant to section 64.1 of the BIA in favour of Directors and officers of the Borrower to indemnify such Directors and officers against obligations and liabilities that they may incur as a director or officer after the Filing Date, other than for obligations or liabilities incurred by a Director or officer as a result of the Director’s or officer’s gross negligence or wilful misconduct, which obligations and liabilities secured against shall not exceed the aggregate maximum amount of \$150,000.

“Encumbrance” means any lien, Security Interest, trust (including any deemed, statutory or constructive trust), encumbrance and statutory preference of every kind and nature whatsoever, including any construction trust pursuant to the *Builders’ Lien Act* (Alberta) as amended or otherwise.

“Emergency Expense” means any critical expenditure necessary for the preservation and orderly liquidation of business and property of the Borrower where the failure to pay immediately may materially and adversely affect the Borrower, its property, its stakeholders or the ability of the Borrower to satisfy its Environmental Obligations.

“Environmental Activity” means any past, present or future activity, event or circumstance in respect of any Hazardous Materials, including their storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or their Release, escape, leaching, dispersal or migration into or movement through the Natural Environment.

“Environmental Authorities” means Governmental Authorities responsible for the enforcement of or regulatory activities under Environmental Laws.

“Environmental Laws” means, at any time, all Applicable Laws relating to Hazardous Materials, Environmental Activity and to the protection and regulation of the Natural Environment, or to human health and safety as it relates to Environmental Activity or the Natural Environment.

“Environmental Liabilities” means all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges and expenses of any kind suffered by or against any Person or its business or Property, including or as a result of any order, investigation or action by any Governmental Authority, arising from or with respect to any one or more of the following:

- (a) the Release, threat of Release or presence of any Hazardous Materials, affecting any Property, whether or not originating or emanating from a Person’s Property or any contiguous Real Property or immovable Property, including any loss of value of any Property as a result of that Release, threat of Release or presence of any Hazardous Materials;
- (b) the Release of any Hazardous Materials owned by, or under the charge, management or Control of, that Person, or any predecessor or assignor of that Person;

- (c) liability incurred under any Environmental Laws for any costs incurred by any Governmental Authority or any other Person, or for damages from injury to, destruction of, or loss of natural resources in relation to, a Person's Property or related Property, including the reasonable costs of assessing that injury, destruction or loss; and
- (d) liability for personal injury or Property damage arising in connection with breach of any Environmental Laws, including by reason of any civil law offences or quasi-criminal offences or under any statutory or common law tort or similar theory, including damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at, near, or with respect to a Person's Property or elsewhere.

"Environmental Obligations" means the Environmental Liabilities in connection with its Property that the Borrower is required to perform or rectify under and pursuant to Environmental Laws and actions or Authorizations taken or issued by Environmental Authorities in connection therewith, including under environmental protection orders, surface material leases, royalty agreements, activities plans, plans in response to environmental protection orders and similar documents.

"Equity Interest" means with respect to any Person, any share, interest, unit, trust unit, partnership, membership or other interest, participation or other equivalent rights in the Person's equity or capital, however designated, whether voting or non-voting, whether now outstanding or issued after the date hereof, together with any warrant, option or other right to acquire any such equity interest of such Person and such security convertible into or exchangeable for any such equity interest of such Person.

"Event of Default" is defined in Section 7.1.

"Filing Date" is defined in Context paragraph A.

"Governmental Authority" means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.

"Hazardous Materials" means any substance that when Released into the Natural Environment creates a material risk of causing material harm or degradation, immediately or at some future time, to the Natural Environment, or any ascertainable risk to human health or safety, including any pollutant, contaminant, waste, hazardous waste, dangerous goods (as defined by applicable Environmental Laws), asbestos and polychlorinated biphenyls.

"Indebtedness" means, with respect to a Person, the following: (a) all obligations of such Person that would be considered to be indebtedness for borrowed money (including by way of overdraft and drafts or orders accepted representing extensions of credit) that are evidenced by bonds, debentures, notes or any other agreement or instrument; (b) reimbursement obligations under bankers' acceptances and contingent obligations of such Person in respect of any letter of credit, letter of guarantee or similar instrument; (c) any Equity Interest of that Person, which Equity Interest, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or

upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof; (d) all obligations of such Person for the deferred purchase price of assets or services which constitute indebtedness; (e) all capital lease obligations of such Person, obligations under synthetic leases, obligations under sale and leaseback transactions (unless the lease component of the sale and leaseback transaction is an operating lease) and indebtedness under arrangements relating to purchase money liens and other obligations in respect of the deferred purchase price of property and services; and (f) the amount of the contingent obligations of such Person under any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), indemnity or other financial assistance or other agreement assuring payment or performance of any obligation in any manner of any part or all of an obligation of another Person of the type included in subsections (a) through (e) above.

“**Interim Charge**” is defined in Section 3.1(a).

“**Interim Facility**” is defined in Section 2.1(a).

“**Interim Financing Order**” means an Order of the Court substantially in the form of the Interim Financing Order attached as **Schedule “C”**, with such changes as are acceptable to the Lender, which shall, *inter alia*: (a) approve the Interim Facility and this Agreement; (b) create the Interim Charge in a principal amount equal to the Maximum Availability; (c) declare that the Interim Charge ranks first in priority to any and all Encumbrances affecting the Property, and subject only to the Administration Charge; (d) treat the Lender as an unaffected creditor in respect of the Obligations in any proposal filed by the Borrower under the BIA; (e) create the Administration Charge; and (f) create the Directors’ Charge; and provide such other relief as agreed to by the Lender.

“**Lender**” is defined in Context paragraph B.

“**Loan Documents**” is defined in Section 3.2.

“**Material Adverse Effect**” means any such matter, event or circumstance that, individually, or in the aggregate could be expected to have a material adverse effect on: (a) the business, assets, properties, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Borrower; (b) the validity or enforceability of this Agreement or any other Loan Document; (c) the validity or priority of the Interim Charge; (d) the rights or remedies of the Lender under this Agreement or any other Loan Document; or (e) the ability of any Borrower to perform any of its material payment obligations under this Agreement or any other Loan Document.

“**Material Contract**” means any contract, licence or agreement: (i) to which the Borrower is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of the Borrower; and (iii) which the Borrower cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

“**Maximum Availability**” is defined in Section 2.1(a).

“**Natural Environment**” means the air, land, subsoil and water (including surface water and ground water), or any combination or part of them.

“**Notice**” means all notices, requests, consents, claims, demands, waivers and other communications hereunder.

“Obligations” means, at any time, all of the indebtedness, liabilities and obligations, absolute or contingent, direct or indirect, matured or not matured, liquidated or unliquidated, of the Borrower to the Lender arising under the Interim Facility or created by reason of or relating to this Agreement or any other Loan Document and all expenses and charges, whether for legal expenses or otherwise, incurred by the Lender in collecting or enforcing any of the Obligations or in realizing on or protecting or preserving Interim Charge.

“Operating Accounts” means the bank accounts of the Borrower approved by the Lender and designated by the Borrower and the Lenders in writing to receive Advances and from which to make payments in accordance with the Cash Flow Projections, and **“Operating Account”** means any one of them.

“Order” means any Order of the Court in the Proposal Proceedings.

“Participant” is defined in Section 9.2.

“Person” means an individual, partnership, corporation, business trust, limited liability company, trust, unincorporated association, joint venture, estate, Governmental Authority or other entity of whatever nature.

“PPSA” means the *Personal Property Security Act* (Alberta), as amended, or similar legislation in any jurisdiction.

“Property” means all of the present and after-acquired undertaking, property and assets of the Borrower, whether real or personal or tangible or intangible, including any interest in real property pursuant to any royalty agreement or surface material lease, and all proceeds thereof.

“Proposal Proceedings” is defined in Context paragraph A.

“Release” includes deposit, leak, emit, add, spray, inject, inoculate, abandon, spill, seep, pour, empty, throw, dump, place and exhaust, and when used as a noun has a corresponding meaning.

“Requested Advance Date” is defined in Section 2.1(b)(ii).

“Security Interest” means any charge, mortgage, hypothec, pledge or security interest created by an agreement between two or more Persons.

“Signing Date” means the time and date on which this Agreement is fully executed and delivered by the Lender and Borrower.

“Taxes” means any taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country.

“Termination Date” means the date the Interim Facility terminates in accordance with Section 2.2.

“Trustee” is defined in Context paragraph A.

“Variance Report” is defined in Section 6.3(a).

“Withholding Taxes” means any Taxes that are required by the Applicable Law to be withheld.

SCHEDULE "B"
Cash Flow Projections

See attached

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SCHEDULE "C"
Form of Interim Financing Order






See attached

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[5763790316](#)

Document comparison by Workshare Compare on August 11, 2023 8:31:46 AM

Input:	
Document 1 ID	iManage://gowlingwlg-mobility-ca.imatech.com/Active_ca/57637903/5
Description	#57637903v5<gowlingwlg-mobility-ca.imatech.com> - Letter Loan Agreement - Interim Financing (Mantle)
Document 2 ID	iManage://gowlingwlg-mobility-ca.imatech.com/ACTIVE_CA/57637903/6
Description	#57637903v6<gowlingwlg-mobility-ca.imatech.com> - Letter Loan Agreement - Interim Financing (Mantle)
Rendering set	Firm Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	15
Deletions	14
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	29

