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Order
Rule 9.1

COURT FILE NO. 2301 16114
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, RSC 1985, c C-36, as amended
AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF MANTLE MATERIALS GROUP, LTD.

APPLICANT MANTLE MATERIALS GROUP, LTD.

DOCUMENT **ORDER (Sale Approval – Smoky Lake and Long Lake Pits)**

ADDRESS FOR
SERVICE AND
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File No.: A171561

DATE ON WHICH ORDER WAS PRONOUNCED: February 23, 2024

LOCATION AT WHICH ORDER WAS MADE: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Justice M.H. Hollins

UPON the application (the “**Application**”) of Mantle Materials Group, Ltd. (“**Mantle**”) that commenced the within proceedings (the “**Proceedings**”) pursuant to the initial order granted under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”) on January 10, 2024 (as may be subsequently amended and restated, the “**Initial Order**”), for an order (a) approving the sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement dated February 9, 2024 (the “**APA**”) between Mantle, as vendor, and PEA Holdings Incorporated (the “**Purchaser**”), as purchaser, a redacted copy of which is appended as **Exhibit**

“E” to the Affidavit of Byron Levkulich sworn February 13, 2024 (the “**Levkulich Affidavit**”) and an unredacted copy of which is appended as **Exhibit “C”** to the Confidential Affidavit of Byron Levkulich sworn February 13, 2024 (the “**Confidential Affidavit**”), and (b) vesting in the Purchaser (or its nominee) all of Mantle’s right, title, and interest in and to the assets described in the APA (the “**Purchased Assets**”);

AND UPON NOTING THAT under section 2.1.1.3 of the APA, the Purchaser shall, effective as of Closing (as defined in section 1.1.14 of the APA), assume and perform the Assumed Liabilities (as defined in section 1.1.9 of the APA), which Assumed Liabilities include the Reclamation Liabilities (as defined in section 1.1.39 of the APA);

AND UPON HAVING READ the Initial Order; **AND UPON BEING ADVISED** that on July 19, 2023 Mantle filed a notice of intention to make a proposal (the “**Proposal Proceedings**”) under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”); **AND UPON BEING ADVISED** that Mantle, with the assistance of FTI Consulting Canada Inc., in its capacity as proposal trustee of Mantle (“**FTI**”), conducted a sales process for the Purchased Assets in the Proposal Proceedings; **AND UPON HAVING READ** the First Report of FTI (in such capacity, the “**Monitor**”), in its capacity as the court-appointed monitor of the Mantle, dated February 16, 2024, filed; **AND UPON HAVING READ** the Levkulich Affidavit, the Confidential Affidavit and the Affidavit of Service of Kristy DeIure sworn February 22, 2024, to be filed; **AND UPON HEARING** the submissions of counsel for Mantle, the Monitor, and for any other parties who may be present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Approval of Transaction

2. The Transaction is hereby approved and execution of the APA is hereby authorized, ratified, confirmed, and approved, with such minor amendments as the Monitor and the Purchaser may agree to, with the consent of Mantle. The Monitor and Mantle are hereby

authorized and directed to take such additional steps and Mantle is hereby authorized and empowered to execute such additional documents as may be necessary or desirable for the completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

Vesting of Purchased Assets

3. Subject only to consent of the director (the “**Director**”) designated under section 5 of the *Public Lands Act* (Alberta) (the “**PLA**”) of the transfer or assignment of the land subject to the surface material leases and other dispositions included in the Purchased Assets (the “**SMLs**”) pursuant to section 43(1) of the *PLA*, upon the delivery of a Monitor’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Monitor’s Certificate**”), all of Mantle’s right, title, and interest in and to the Purchased Assets, as described in the APA, shall vest absolutely, exclusively, and entirely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts, reservations of ownership, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary, or otherwise, whether or not they have attached or been perfected, registered, or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Initial Order; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system,

and for greater certainty, this Court orders that all Claims, including Encumbrances, other than Permitted Encumbrances as set out in **Schedule “B”** hereto (the “**Permitted Encumbrances**”), affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Subject to any consent of the Director referenced in paragraph 3 of this Order, upon delivery of the Monitor's Certificate and upon filing of a certified copy of this Order, together with any applicable registration fees:
 - (a) all governmental authorities including those referred to in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and certified copy of this Order as though they were originals; and
 - (b) the Director is hereby requested to:
 - i. cancel and discharge those Claims registered against the estate or interest of Mantle in and to any of the Purchased Assets; and
 - ii. amend any register maintained by the Director in respect of the SMLs to reflect the forgoing.

5. Subject to any consent of the Director referenced in paragraph 3 of this Order:
 - (a) in order to effect the transfers and discharges described above, this Court requests and directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the APA; and
 - (b) presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims, including Encumbrances but excluding Permitted Encumbrances.

6. The Monitor is authorized and directed to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the Initial Order, the APA, or any ancillary document related thereto, and shall incur no liability in connection therewith, save and except for any gross negligence or wilful misconduct on its part.

7. No authorization, approval or other action by and no notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery, and performance by Mantle of the APA, other than any consent of the Director referenced in paragraph 3 above.
8. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, and subject to paragraph 3 of this Order: (a) the Director is requested to register this Order in the records of the Department (as such term is defined in the *PLA* notwithstanding that the appeal period in respect of this Order has not elapsed; and (b) the Director is requested to accept all Affidavits of Corporate Signing Authority submitted by the Monitor in its capacity as Monitor of Mantle and not in its personal capacity.
9. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber, or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
10. Upon completion of the Transaction, Mantle and all persons who claim by, through or under Mantle in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped, and foreclosed from and permanently enjoined from pursuing, asserting, or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Mantle, or any person claiming by, through or against Mantle.
12. The Monitor is directed to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
13. The Monitor may rely on written notice from Mantle and the Purchaser or their respective counsel regarding the fulfillment of conditions to closing under the APA and shall incur no liability with respect to the delivery of the Monitor's Certificate.

Miscellaneous Matters

14. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of Mantle, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of Mantle; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Mantle and shall not be void or voidable by creditors of Mantle, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. Mantle, the Monitor, the Purchaser (or its nominee), and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary in order

to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order, and to assist Mantle, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to Mantle and the Monitor as an officer of the Court as may be necessary or desirable to give effect to this Order or to assist Mantle, the Monitor and their respective agents in carrying out the terms of this Order.

17. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors;

(b) Posting a copy of this Order on the Monitor's website at:

<http://cfcanada.fticonsulting.com/mantle/default.htm>

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of King's Bench of
Alberta

**SCHEDULE “A”
[Sale Approval]**

MONITOR'S CERTIFICATE

Clerk's Stamp

COURT FILE NO. 2301 16114
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, RSC 1985, c C-36, as amended
AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT **MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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RECITALS

- A. Pursuant to an Order of the Honourable Associate Chief Justice D.B. Nixon of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") pronounced January 10, 2024, as subsequently amended and restated on January 16, 2024, FTI Consulting Canada Inc., was appointed as the monitor (the "**Monitor**") of Mantle Materials Group, Ltd.
- B. On February 23, 2024, the Court pronounced an Order (the "**SAVO**") approving the asset purchase agreement dated February 9, 2024 (the "**APA**") between Mantle, as vendor, and PEA Holdings Incorporated (the "**Purchaser**"), as purchaser, and vesting in the Purchaser of Mantle's right, title, and interest in and to the Purchased Assets, which vesting is to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that all

conditions to the closing of the APA have been satisfied or waived by Mantle and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, all capitalized terms have the meanings set out in the SAVO.

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Monitor has received the purchase price for the Purchased Assets in accordance with and as contemplated by the terms of the APA;
2. The conditions to the closing of the APA have been satisfied or waived by Mantle and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

FTI CONSULTING CANADA INC., in its capacity as the monitor of **MANTLE MATERIALS GROUP, LTD.** and not in its personal or corporate capacity.

Per: _

Name:

Title:

SCHEDULE "B"
[Permitted Encumbrances]

Nil