

COURT FILE NO. 2301-10358

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

**Gowling WLG (Canada) LLP**

1600, 421 – 7th Avenue S.W.

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File No. A171561

**Attention: Tom Cumming / Sam Gabor / Stephen Kroeger**

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**AFFIDAVIT OF CORY PICHOTA**

**SWORN ON AUGUST 8, 2023**

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I, Cory Pichota, of the City of Edmonton, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. I am the President and Chief Operating Officer 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.
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.

**I. DISCLOSURE OF ENVIRONMENTAL OBLIGATIONS TO TRAVELERS**

4. As referenced at paragraphs 23 and 24 of the Affidavit of Byron Levkulich, sworn August 7, 2023 (the "**Levkulich Affidavit**"), pursuant to a loan and security agreement dated October 8, 2021, as amended October 15, 2022 (as amended, the "**Travelers Loan Agreement**") between Mantle as borrower and Travelers Restructuring Capital Inc. ("**Travelers**") as lender, Travelers loaned Mantle \$1,700,000 for the purpose of acquiring the certain equipment from Faber Inc. in its capacity as trustee in bankruptcy of Flasha Holdings Ltd. (the "**Travelers Loan**"). Attached as **Exhibit "A"** to this Affidavit is a true copy of the Travelers Loan Agreement.
5. Conditions precedent to closing of the Travelers Loan Agreement included that, among other conditions precedent, the following be provided by Mantle to Travelers:
  - a) unaudited financial statements for Mantle since emerging from CCAA proceedings (see 4(q)(v));
  - b) any other financial information at the request of Travelers (see 4(q)(vi)).
6. The following documents which each reference Mantle's remediation obligations as long term liabilities were provided to Travelers pursuant to the above referenced conditions precedent to the Travelers Loan Agreement and prior to the funding of the Travelers Loan:
  - (a) August 2021 Mantle Flash Report which is attached hereto and marked as **Exhibit "B"**;
  - (b) September 1, 2021 Lender Budget Report which is attached hereto and marked as **Exhibit "C"**;

- (c) September 23, 2021 Flasha Deal Analysis which is attached hereto and marked as **Exhibit “D”**;
- (d) September 2021 Internal Financial Report which is attached hereto and marked as **Exhibit “E”**; and
- (e) October 2021 Internal Financial Report which is attached hereto and marked as **Exhibit “F”**.

**II. URGENCY**

7. As set by Alberta Environment and Parks (“AEP”), Mantle was under strict environmental re-remediation deadlines via certain environmental protection orders as summarized in the Progress Update Report dated October 28, 2022, attached at Exhibit V to the Levkulich Affidavit, including the following orders:

<b>EPO</b>	<b>Task Description</b>	<b>Deadline for Completion</b>
EPO-EPEA-35659-01 MacDonald	Complete the remaining of the recontouring activities including disposal of oversize rocks, place topsoil, and seed topsoil with pasture mix	October 31, 2023
EPO-EPEA-35659-03 Hoye/Kucy	Deconstruct waterbody, complete final recontouring, topsoil placement, and seeding of topsoil	August 31, 2023
EPO-EPEA-35659-05 Buksa	Complete final recontouring including oversize rock disposal, topsoil placement, and seeding	October 31, 2023
EPO-EPEA-35659-07 / EO-WA-35659-01 SML 060060	Remediation of the waterbody-backfilling, major recontouring of the constructed waterbody.	September 30, 2023

	Complete all remaining reclamation activities; Final fill, final recontouring, final topsoil placement, seeding	
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8. Following the filing of the NOI, the AEP wrote to Mantle in a letter dated August 1, 2023 requiring that depending on the order and remedial plan approved by AEP, ongoing reclamation work was to be completed by no later than November 1, 2023. In order to meet that deadline, Mantle must immediately continue its remediation work and to do so requires at least some of the equipment subject to Travelers’ security to carry out the reclamation work by the aforementioned deadline. Any delay in Mantle’s work in performing its reclamation obligations will jeopardize its ability to meet the November 1, 2023 deadline and its other deadlines as set out above. A copy of the letter from the AEP is attached as **Exhibit “G”**.
  
9. I swear this Affidavit in support of an Application for the relief set out in paragraph 6 of the Levkulich Affidavit in these proceedings.

Sworn before me at the City of Edmonton, in the Province of Alberta, on this 8th day of August, 2023

\_\_\_\_\_  
 A Notary Public in  
 and for the Province of Alberta

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\_\_\_\_\_  
 Cory Pichota

THIS IS EXHIBIT "A" TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

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A Commissioner for Oath in and for the  
Province of Alberta

**LOAN AND SECURITY**

**AGREEMENT DATED**

**OCTOBER 8, 2021**

**AMONG**

**TRAVELERS RESTRUCTURING CAPITAL INC., having an office at 400-4180 Lougheed Highway, Burnaby, BC V5C 6A7**

**-AND-**

**MANTLE MATERIALS GROUP, LTD., having an office at 9043 22 Ave SW, Edmonton, AB, T6X 1Z6**

In consideration of the covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **INTERPRETATION:** For the purpose of this Agreement:
  - (a) **“Agreement”** means this Loan and Security Agreement, as may be amended, restated or replaced from time to time together with each Schedule, unless the context otherwise requires, and “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement;
  - (b) **“ATB Agreement”** means, collectively, the letter loan agreement dated December 19, 2017 between JMB Crushing Systems ULC (an amalgamation predecessor to the Borrower) and ATB Financial (by its former name, Alberta Treasury Branches), as amended by a first amending agreement dated June 21, 2017, as further amended by a second amending agreement dated June 7, 2018 and as supplemented by an agreement governing ATB assumed debt dated as of April 26, 2021;
  - (c) **“Borrower”** means Mantle Materials Group, Ltd., and their respective permitted assigns and successors;
  - (d) **“Business Day”** means a day when Lender’s office at the address of Lender stated herein is open for business, excluding Saturdays, Sundays and statutory holidays in the Provinces of Alberta and British Columbia;
  - (e) **“Collateral”** means the Equipment and any other property and assets which are charged by the Security Documents;

- (f) “**Commencement Date**” means the loan commencement date specified in a Schedule;
- (g) “**Conditions Precedent**” has the meaning given to it in Section 4 hereof;
- (h) “**Equipment**” means the equipment and other personal property set out in a Schedule together with all additions, parts, attachments and accessories now or hereafter attached to or forming a part thereof, any substitutions, repairs, replacements, related software, and all proceeds therefrom including trade-ins, chattel paper, documents of title, contract rights, rental payments, insurance payments and other property and obligations received as a result of the equipment being sold, dealt with or otherwise disposed of;
- (i) “**Equipment Collateral**” has the meaning given to such term in Section 12 hereof;
- (j) “**Financed Amount**” means the amount stated in a Schedule as owing by Borrower to Lender or the unpaid outstanding balance thereof, as the context requires;
- (k) “**Financing Rate**” means the rate per annum payable on a Financed Amount as stated in the applicable Schedule;
- (l) “**Guarantor**” means any person or individual who guarantees the indebtedness of Borrower to Lender arising under this Agreement;
- (m) “**Lender**” means Travelers Restructuring Capital Inc. and its assigns and successors;
- (n) “**Loan**” has the meaning given to such term in Section 2 hereof;
- (o) “**Loan Documentation Fee**” has the meaning given to it in Section 8 hereof;
- (p) “**Loan Fee**” has the meaning given to such term in Section 8 hereof;
- (q) “**Loan Payment**” means in respect of a Loan, a payment of principal, principal and interest, or interest-only, as specified in the applicable Schedule;
- (r) “**Material Adverse Effect**” means a material adverse effect:
  - i. on the financial condition, business, business prospects, operations, continuance of operations, results of operation, real property or other assets of Borrower or Guarantor;
  - ii. on the validity or enforceability of this Agreement or any of the Security Documents; and

- iii. on the ability of Borrower or Guarantor, taken as a whole, to perform their obligations under this Agreement or the Security Documents;
- (s) **“Obligations”** means all debts, all present and future liabilities and obligations of the Borrower to Lender under this Agreement (for further certainty including any related Schedule) and under any of the Security Documents, or any other agreement existing from time to time between the Borrower and Lender, including but not limited to the Financed Amount, interest thereon, other amounts payable under this Agreement, a Schedule, any of the Security Documents, any other amount which may be owing by the Borrower to the Lender under the subject or any other financing agreement, or the performance of any obligations of the Borrower under this Agreement;
- (t) **“Overdue Payment”** means any amount owing by Borrower hereunder and any sum disbursed by Lender pursuant to Section 22 which is not paid when due hereunder, or any portion thereof.
- (u) **“Permitted Encumbrances”** means:
- i. liens for taxes, assessments or governmental charges not yet due or delinquent;
  - ii. liens arising in connection with workers’ compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent;
  - iii. easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower;
  - iv. undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;
  - v. liens arising by operation of law such as builders’ liens, carriers’ liens, materialmens’ liens and other liens of a similar nature incurred in the ordinary course of business which relate to obligations not due or delinquent;



- vi. liens incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower;
- vii. banker's liens, rights of set-off or compensation with respect to deposit accounts or the funds maintained with a creditor depository institution;
- viii. liens in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;
- ix. liens given by the Borrower to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Borrower;
- x. the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;
- xi. liens securing purchase money obligations not exceeding an aggregate of \$100,000, provided that such security interests do not attach to the Equipment Collateral;
- xii. landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent, provided that such liens do not attach generally to the Equipment Collateral or all or substantially all of the undertaking, assets and property of the Borrower;
- xiii. deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money), (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower is a party, or (iii) letters of credit or bonds securing the Borrower's reclamation and remediation obligations under surface material agreements and royalty agreements;
- xiv. security interests and charges granted in favour of ATB Financial pursuant to the ATB Agreement, provided that such security interests shall not extend to the Equipment Collateral;
- xv. security interests and charges granted in favour of the Senior Lender

pursuant to the Senior Loan Agreement, provided that such security interests shall not rank in priority to the Lender's interest in the Equipment Collateral;

- xvi. security interests and charges against Borrower or Guarantor or their respective assets granted in favour of Lender; and
  - xvii. present and future security interests and charges against Borrower or Guarantor or their respective assets that are agreed to by Lender in writing and are subject of priority or subordination agreements on terms acceptable to Lender;
- (v) “**Schedule**” means each loan schedule executed by Borrower, Guarantor and Lender from time to time and which refers to and incorporates by reference this Agreement, as it may be amended, restated or replaced from time to time;
  - (w) “**Security Documents**” has the meaning given to it in Section 13 hereof;
  - (x) “**Senior Lender**” means, collectively, Fiera Private Debt Fund VI LP, by its general partner, Fiera Private Debt Fund GP Inc. and Fiera Private Debt Fund V LP, by its general partner, Fiera Private Debt Fund GP Inc.;
  - (y) “**Senior Loan Agreement**” means the loan agreement dated as of April 26, 2021 between, *inter alios*, the Borrower and the Senior Lender;
  - (z) “**Term**” means the term specified in a Schedule; and
  - (aa) “**Termination Date**” means the loan termination date specified in a Schedule.
2. **LOAN AND LOAN PAYMENTS:** Borrower hereby acknowledges that it has borrowed from Lender and is thereby, or has otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated herein or such other place notified by Lender to Borrower, the Financed Amount, together with interest thereon, by paying the Loan Payments. Unless otherwise set out in Schedule, the first Loan Payment is payable on the first day of the calendar month following the Commencement Date and subsequent Loan Payments on the first day of each month thereafter throughout the Term. On the Termination Date, Borrower shall pay Lender the outstanding balance of the Financed Amount, all accrued and unpaid interest thereon and all other amounts payable hereunder. Loan Payments and any other amounts due are payable to Lender shall be paid without counterclaim, defence, set off or abatement. Each Schedule shall constitute a separate loan from Lender to Borrower, in each case on the terms and conditions set out in this Agreement and such Schedule (each, a “**Loan**”). In the event of any conflict between any provision of this Loan and Security Agreement and any provision in any Schedule hereto, the provision of such Schedule shall prevail with respect to the Loan affected thereby.
3. **APPLICATION OF PAYMENTS:** All Loan Payments will be applied in the following

order:

- (a) any prepayment charge or fee (if applicable);
- (b) any outstanding protective disbursements required under this Agreement, including any insurance premium payments, as applicable;
- (c) payment arrears, in the following order: (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal;
- (d) current balances, in the following order (i) commitment, transaction and amendment fees, (ii) Lender costs and expenses in accordance with structuring, executing, and facilitating this Agreement, (iii) interest, and (iv) principal; and
- (e) other amounts due and payable under this Agreement and the Schedules hereto and any amendments thereof.

Lender may apply any monies received by it, before or after default, to any debt Borrower may owe Lender under or pursuant to this Agreement or any other agreement and Lender may change those applications from time to time in its sole discretion. Notwithstanding anything to the contrary herein, any partial or late payments shall be applied against any part of the indebtedness owing hereunder by Borrower to Lender as Lender may see fit in its sole and absolute discretion and Lender shall at all times and from time to time have the right to change any application of any late or partial payment received by it and to re-apply the same on any part or parts of such indebtedness as Lender may see fit in its sole and absolute discretion, notwithstanding any previous application.

4. **CONDITIONS PRECEDENT:** The obligation of Lender to enter into any Loan and advance the Financed Amount is subject to the fulfilment of the following conditions precedent (each to be satisfied or waived in the sole discretion of Lender) (collectively, the “**Conditions Precedent**”):

- (a) approval of the loan by the credit committee of Lender;
- (b) execution of this Agreement and the Security Documents by Borrower and Guarantor (if applicable), in a form satisfactory to Lender in its sole discretion;
- (c) registration of this Agreement and Security Documents, where applicable;
- (d) payment by Borrower to Lender of any Loan Documentation Fee or Loan Fee;

- (e) receipt by Lender, on an itemized basis, of complete descriptions of the Equipment, including make (manufacturer), model number(s), serial number(s) of all major components, together with photos and original purchase orders or invoices for the Equipment, proof of registration, if applicable, and proof of payment; **[satisfied]**
- (f) receipt by Lender of the constating documents of Borrower and Guarantor, as applicable;
- (g) satisfaction of Lender's AML/KYC requirements;
- (h) an appraisal completed by an appraisal firm satisfactory to Lender, confirming a satisfactory minimum value and condition of the Equipment; **[satisfied]**
- (i) receipt of waivers and priority and subordinations agreements as required by Lender to give rise and effect to the Security Documents and to the priority rankings contemplated herein;
- (j) satisfactory review by Lender of appraisals commissioned by Borrower in respect of any real property owned by the Borrower and, if required by the Lender, reliance letters in favour of Lender from the appraiser; **[satisfied/ waived]**
- (k) satisfactory review by Lender of any and all environmental reports in respect of any real property owned by Borrower and if required by the Lender reliance letters in favour of Lender from the applicable environmental firm; **[satisfied/ waived]**
- (l) satisfactory review by Lender of any and all existing and previously issued demand notices, forbearance agreements and court materials between each of Borrower and Guarantor and their existing creditors; **[satisfied/ waived]**
- (m) satisfactory review by Lender of any and all leases with respect to tenants in occupancy of any real property of Borrower, as applicable; **[satisfied/ waived]**
- (n) Lender shall have conducted and be satisfied with an inspection of the Equipment and site inspection of Borrower's premises; **[satisfied/ waived]**
- (o) the delivery to and satisfactory review by Lender of evidence that no amounts are owed to unpaid vendors who have a right of repossession, rights of set-off, or any amounts owing to creditors which may claim priority by statute or under a lien; **[satisfied/ waived]**
- (p) satisfactory review of any and all existing lending agreements entered into by Borrower that may impact performance of Borrower of this Agreement or bind Borrower to any payment, reporting, security, or covenant obligations; **[satisfied]**

- (q) corporate and financial information on Borrower and Guarantor, including but not limited to the following:
- i. an organizational chart for Borrower highlighting shareholder ownership and collateral ownership; **[satisfied/ waived]**
  - ii. a comprehensive asset and liability summary of the Borrower, inclusive of the required fixed and floating recurring payments of principal and interest on all existing credit, lease, and rental facilities; **[satisfied/ waived]**
  - iii. a 12-month future looking pro-forma income statement for Borrower on a consolidated basis, inclusive of a year-to-date statement from the most recent fiscal year-end, plus evidence of any and all material contracts for work-in-place; **[satisfied/ waived]**
  - iv. a 13-week or 12-month future looking pro-forma cash flow forecast for Borrower on a consolidated basis, inclusive of working capital requirements, capital expenditures and forecasted accounts receivable and collections, as applicable; **[satisfied/ waived]**
  - v. unaudited financial statements for Borrower since emerging from CCAA proceedings; **[satisfied/ waived]** and
  - vi. any other financial/ownership information at the request of the Lender (acting reasonably),
- (r) receipt and satisfactory review by Lender of amended certificates of insurance for the Collateral and Borrower, including general liability insurance policy;
- (s) receipt and satisfactory review by Lender that all property taxes and utilities are fully paid and up to date for any real property of Borrower;
- (t) receipt of certificates of officer, resolutions and legal opinions, as required, by Lender;
- (u) receipt of Canada Revenue Agency representative authorization form(s) authorizing Lender view only access of Borrower Canada Revenue Agency online portal;
- (v) the delivery to and satisfactory review by Lender of evidence that all federal and provincial corporate taxes, source deductions, and sales taxes for Borrower and Guarantor are up to date, including but not limited to corporate

income tax, real property tax, statutory liens, Crown claims including employee source deductions, HST, EHT, any amounts due under *Wage Earner Protection Plan Act* and Workplace Safety and Insurance Board premiums and any other amounts owing to the Crown that would rank in priority to the Loans or the Security Documents;

- (w) satisfactory completion by Lender of all business, environmental, legal and financial due diligence, including, but not limited to, evidence that Borrower has the required licenses in place to operate the business; and
  - (x) any other conditions precedent required by Lender as set out in the Schedule relating to such Loan.
5. **TENURE OF AGREEMENT:** This Agreement will come into effect on the date it is signed by Lender and Borrower and will continue in effect as long as any Obligations remain outstanding.
6. **INTEREST:** Each Financed Amount shall bear interest at the Financing Rate set out in the applicable Schedule from the Commencement Date until the Financed Amount is unconditionally paid in full to Lender, and shall be payable in arrears on the date of each Loan Payment. Interest payable hereunder shall accrue and be calculated daily upon the daily outstanding balance of the Financed Amount or Overdue Payment, as applicable, on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be. All interest payments to be made under this Agreement in respect of the outstanding balance of the Financed Amount or any Overdue Payment, as applicable, shall be paid both before and after maturity and before and after default and/or judgment, if any, until full and unconditional payment of the outstanding balance of the Financed Amount or such Overdue Payment is made. The yearly rate of interest to which each rate of interest expressed herein is equivalent is the product of (a) such rate multiplied by (b) the actual number of days in the calendar year in which it is to be ascertained divided by 365. The principle of deemed reinvestment shall not apply to this Agreement or any payments made by Borrower hereunder.
7. **INTEREST ON OVERDUE PAYMENTS:** Each Overdue Payment shall bear interest from the date due until unconditionally paid in full to Lender at the rate of 24% per annum, compounded monthly, and shall be payable on demand by Lender.
8. **FEEES:** In addition to the Loan Payments, Borrower will pay to Lender:
- (a) the documentation and onboarding fee set out in each Schedule (each, a “**Loan Documentation Fee**”);
  - (b) the loan fee set out in each Schedule (each, a “**Loan Fee**”);
  - (c) a non-refundable annual management fee in the amount of 35 basis points multiplied by the outstanding Obligations, payable on the first anniversary of

this Agreement and each year thereafter so long as any Obligations remain outstanding; and

- (d) for each default by Borrower of a reporting or monitoring covenant in this Agreement, including but not limited to the reporting obligations set out in Section 18, a default fee of \$1,250.00 per default (or the re-occurrence of a previously waived or remedied default), such fee to be payable within five (5) Business Days of the relevant default. Receipt by Lender of such fee shall not constitute a waiver of such default and shall not relieve or discharge the Borrower from remedying such default.

9. **PREPAYMENT:** Except as may be expressly permitted in the applicable Schedule, no prepayments of the Financed Amount are permitted without the prior written consent of Lender.
10. **PRE-AUTHORIZED PAYMENT:** Borrower agrees that it will authorize Lender to automatically draw Loan Payments and all other fees due under this Agreement from Borrower's appointed financial institution via Borrower's pre-authorized payment plan. Payment by other means must receive Lender's prior approval and may be subject to a service fee at Lender's sole discretion.
11. **PURPOSE:** The Financed Amount is to be used only for the purpose specified in the applicable Schedule.
12. **SECURITY INTEREST:** As general and continuing security for the payment and performance of the Obligations, Borrower hereby grants to Lender and Lender hereby takes a security interest in: (a) the Equipment, (b) all present and after-acquired intellectual property and other intangibles relating to the Equipment; (c) all present and after-acquired contracts, chattel paper, intangibles or instruments, written or oral, for the sale, exchange, lease, license, rental, sublease or other disposition of any kind whatsoever of the foregoing; (d) all insurance claims and proceeds resulting therefrom with respect to any loss or damage to any of the foregoing; and (e) all proceeds of the foregoing in the form of chattel paper, documents of title, goods, instruments, intangibles, money, fixtures or investment property, (collectively, the "**Equipment Collateral**"), and as further general and continuing security for the payment and performance of the Obligations Borrower hereby mortgages, transfers, pledges, charges and assigns the Equipment Collateral to Lender. The security constituted hereby is in addition to and not in substitution of the Security Documents or any other security which Lender may from time to time hold or take from Borrower or any other person.
13. **SECURITY DOCUMENTS:** Borrower shall deliver or cause to be delivered to Lender as security for the Obligations, the following documents (collectively, the "**Security Documents**") completed in a form and manner satisfactory to Lender's counsel and registered where applicable:

- (a) security agreement granted by the Borrower to Lender granting a first ranking purchase money security interest in respect of the Equipment Collateral;
- (b) assignment of insurance coverage against the Collateral with Lender named as first loss payee and additional insured, as applicable;
- (c) postponement and subordination of any and all shareholder and related party loans owed to or by Borrower and related entities; and
- (d) such other security and documentation which Lender and its counsel deem advisable.

In addition to the above-listed security, the Borrower shall provide, at their expense, all such releases, waivers, subordinations, inter-creditor agreements, registrations, authorizations, certificates, acknowledgements and legal opinions as Lender and its solicitor may reasonably require to give effect to the foregoing.

#### **14. INSURANCE:**

- (a) Borrower shall obtain, and maintain for the entire Term, at its own expense, property damage and liability insurance against loss or damage to the Equipment, including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as customarily covered by insurance on the type of Equipment and by prudent operators of business similar to that in which Borrower is engaged, in such amounts, in such form and with such insurers which shall be satisfactory to Lender. The amount of insurance on the type of Equipment shall not be less than the greater of the full replacement value of the Equipment or the Loan Payments then remaining and unpaid hereunder. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (b) In addition, Borrower shall maintain all risks property insurance in connection with its assets, including any real property, and business and other types of insurance, including liability insurance with respect to claims for personal injury, death or property damage, with respect to the operation of its business, all with responsible and reputable insurance companies in such amounts and with such deductibles as are customary in the case of businesses of established reputation engaged in the same or similar businesses and in any event as are acceptable to Lender. Each insurance policy will name Borrower and Lender as insureds, will name Lender as first loss payee thereof and will contain a clause requiring the insurer to give Lender at least 30 days' written notice of any alterations in the terms of such policy or of the cancellation thereof.
- (c) At Lender's request, Borrower shall furnish to Lender certificates of insurance,



or other evidence satisfactory to Lender, that such insurance coverage is in effect, provided, however that Lender shall be under no duty to ascertain the existence of, or to examine such insurance policy, or to advise Borrower in the event such insurance shall not comply with the requirements hereof. Borrower further agrees to give Lender prompt notice of any damage or loss of the Equipment, other assets of Borrower, or any part thereof.

- (d) Borrower will, at its expense, make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lender that Lender desires to do so at Borrower's expense. With respect to the Equipment, proceeds of insurance will be disbursed by Lender against satisfactory invoices for repair or replacement of Equipment provided the Loan not then be in default. Performance by Borrower under this paragraph will not affect or release Borrower from the Obligations and liabilities herein elsewhere provided.

**15. REPRESENTATIONS AND WARRANTIES OF BORROWER:** Borrower represents and warrants in favour of Lender that:

- (a) Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of formation and has all requisite power and authority to own its assets and to carry on its business as such business is presently carried on.
- (b) Borrower has full power, capacity, authority and legal right to enter into this Agreement and the Security Documents to which it is party and to do all such acts and things are required to be done, observed and performed in accordance with the terms of this Agreement and the Security Documents to which it is party.
- (c) All corporate acts and proceedings on the part of Borrower necessary to authorize the execution, delivery and performance of this Agreement and the Security Documents to which it is party have been taken by Borrower and this Agreement and the Security Documents to which it is party have been or will be duly executed and delivered by Borrower.
- (d) Except to the extent disclosed to Lender in writing, Borrower is not in default under any agreement or instrument to which it is a party and which default would have a Material Adverse Effect.
- (e) All third party consents required by Borrower and Guarantor to enter into this Agreement and observe and perform their obligations hereunder have been obtained.
- (f) Other than as disclosed in writing to Lender, there are no actions, suits or

proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of their undertakings and assets, at law, in equity or before any arbitrator or before any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to Borrower and which could, if determined adversely, materially and adversely affect the ability of Borrower to perform its obligations under this Agreement and the Security Documents to which it is a party, and Borrower is not in default with respect to any law, regulation, order, writ, judgment, injunction or award of any government, commission, board, agency, court, arbitrator or instrumentality which would have such an effect.

- (g) Borrower is the registered and beneficial owner of its assets, including the Equipment, and has good, valid and marketable title thereto, free and clear of all mortgages, charges, liens and other encumbrances except for Permitted Encumbrances and those mortgages, charges, liens and other encumbrances which are to be discharged and released using the proceeds of the Financed Amount.
- (h) To the best of Borrower's knowledge after due and diligent inquiry, no regulated, hazardous or toxic substances are being stored on any real property of Borrower or any adjacent property except in accordance with applicable law and industry standard, nor have any such substances been stored or used on any real property of Borrower or in Borrower's business or any adjacent property prior to Borrower's ownership, possession or control of any real property except in accordance with applicable law and industry standard.

**16. AFFIRMATIVE COVENANTS:** Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall duly and punctually pay the Loan Payments and all fees and other amounts required to be paid by Borrower hereunder in the manner specified in this Agreement.
- (b) Borrower shall maintain its corporate existence in good standing and do or cause to be done all things necessary to keep in full force and effect all properties, rights, franchises, licenses and qualifications to carry on business in any jurisdiction in which it carries on business and it shall maintain all of its properties and assets consistent with industry standards.
- (c) Borrower shall do or cause to be done all acts necessary or desirable to comply with all material applicable federal, provincial, regulatory and municipal laws, requirements or standards, and to preserve and keep in full force and effect all material regulatory requirements, franchises, licenses, rights, privileges and permits necessary to enable Borrower to operate and conduct its business in accordance with standard industry practice and to advise Lender of any

anticipated changes, loss or sale of such material franchises, licenses, rights, privileges and permits.

- (d) Borrower shall give written notice to Lender within 2 Business Days of notice thereof of any dispute, contractual or financial in nature, litigation, proceeding or dispute affecting Borrower or Guarantor if either (a) the claim is greater than \$50,000, or (b) the result might, in Borrower's bona fide opinion, have a Material Adverse Effect on Borrower or Guarantor or on the operations of Borrower, or (c) the claim relates to or directly impacts the Equipment Collateral, and in each case from time to time furnish to Lender all reasonable information requested by Lender concerning the status of any such litigation, proceeding or dispute.
- (e) At any reasonable time during regular business hours upon reasonable prior notice (which for greater certainty is no longer than 5 Business Days), Borrower shall permit Lender or any representative thereof, at the expense and risk of Borrower, to examine and make copies of and abstracts from the records and books of account of Borrower, to visit and inspect the premises and properties of Borrower, and to discuss the affairs, finances and accounts of Borrower with any of the officers, senior employees or managers of Borrower.
- (f) Subject to Permitted Encumbrances, the Borrower shall keep the Collateral free of levies, mortgages, charges, liens and other encumbrances, and shall pay all license fees, registration fees, assessments, charges and taxes (Municipal, Provincial and Federal), which may be levied or assessed directly or indirectly against, or on account of the said Collateral or any interest therein or use thereof.
- (g) Borrower shall deliver to Lender, forthwith upon becoming aware of any default in the performance of any covenant, agreement or condition contained in this Agreement or the occurrence of an event of default, a certificate of an officer of Borrower, specifying such default or defaults or such event.
- (h) Borrower shall from time to time pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, levied, assessed or imposed upon Borrower or any of the assets of Borrower, as and when the same become due and payable, including all statutory liens, trust and other Crown claims including employee source deductions, income taxes, GST, PST, HST, EHT, WEPPA and WSIB premiums, except when and so long as the validity of any such rents, taxes, rates, levies, assessments, fees or dues is in good faith being contested by Borrower and such disputes have been previously disclosed in writing to Lender.
- (i) Borrower shall from time to time pay all rents and other amounts when the same become due and payable for any and all premises leased by Borrower.

- (j) Borrower shall disclose to Lender in writing any fact of which Borrower becomes aware which will result in a Material Adverse Effect, or so may reasonably foresee may result in a Material Adverse Effect.
- (k) Borrower must obtain Lender's prior written consent, before permitting shareholder(s) to sell or transfer their shares or before any change in effective voting control of Borrower by contractual or other means, provided that the Borrower shall not be required to seek consent for a share transfer with respect to any dispositions of shares of the Borrower related to management equity compensation in the ordinary course which do not cumulatively impact more than 10% of the shares in the capital of the Borrower and do not result in a change in effective voting control of the Borrower.
- (l) The Equipment is and shall at all times remain personal or movable property and shall not be affixed or attached to any lands, buildings, motor vehicles or other chattels without the prior written consent of Lender. In the event Lender grants its permission, Borrower shall install the said Equipment in a manner which will permit its removal without material injury to the Equipment or to the place of installation. Borrower shall be responsible for any damage done to any real estate, building or structure by the removal of the Equipment and shall indemnify and save harmless Lender therefrom. If the Equipment is to be delivered to leased premises Borrower shall advise Lender of the name and address of the landlord of such leased premises and upon Lender's request, obtain a postponement of the landlord's interest in the Equipment to the interest of Lender and a landlord access agreement on terms satisfactory to Lender. Notwithstanding the foregoing, the Equipment may be affixed or attached to other Equipment without the prior written consent of Lender.
- (m) The Equipment shall be located and used at the place designated in the Schedule and not elsewhere, without the prior written consent of Lender. Borrower shall cause the Equipment to be maintained and operated carefully in compliance with manufacturer's recommendations, and applicable laws and legislation, by competent and duly qualified personnel only, and for business purposes. Borrower shall comply with and conform to all Federal, Provincial, Municipal and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the Equipment. Lender shall have the right and Borrower shall allow Lender free access to inspect the Equipment Collateral on request.

**17. NEGATIVE COVENANTS:** Borrower hereby covenants and agrees with Lender that unless otherwise consented to in writing by Lender:

- (a) Borrower shall not amalgamate, merge, consolidate or otherwise enter into any other form of business combination with any other person.
- (b) Borrower shall not liquidate, dissolve or wind-up or take any steps or

proceedings in connection therewith.

- (c) Borrower shall not incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to any indebtedness, except (i) indebtedness incurred pursuant to this Agreement; (ii) indebtedness for trade payable to suppliers in the ordinary course of business, (iii) indebtedness secured by or which could be secured by Permitted Encumbrances, and (iv) indebtedness hereafter approved by Lender in writing.
- (d) Borrower shall not create, issue, incur, assume or permit to exist any mortgage, charge, lien or other encumbrance on any of the assets which are the subject of the Security Documents, other than Permitted Encumbrances.
- (e) Borrower shall not grant, sell, exchange, transfer, assign, lease or otherwise dispose of the any interest in the Collateral.
- (f) Borrower shall not (i) pay distributions or dividends on any capital stock or partnership units or pay any amount to redeem, reduce, purchase or retire in any manner any capital stock, or partnership units, including without limitation, in connection with any put option agreement entered into by Borrower and its shareholders as of the date hereof or at any time hereafter, other than distributions or dividends which are made by payment of equity interests or are otherwise not paid or payable in cash; or (ii) repay any shareholder or related party loans or debentures issued by Borrower without the consent of the Lender (acting reasonably).
- (g) Borrower may not make loans to or investments in, or give guarantees or other financial assistance on behalf of others, other than guarantees or other financial assistance by the Borrower to or to the benefit of its direct or indirect shareholders which are unsecured.
- (h) Borrower shall not pay any management, consulting or similar fees or pay any other amounts whatsoever or any income to any affiliate or to any director or senior management employee of Borrower or any affiliate thereof ("**Fees**") other than payment of income or compensation in the amounts being paid as at the Commencement Date for reasonable services rendered to, and reimbursement of expenses reasonably incurred for Borrower or Guarantor in the ordinary course of business ("**Permitted Payments**"). Other than Permitted Payments to senior management employees, including for certainty expenses incidental to or incurred in the ordinary course of their employment, no Fees shall be paid if a default exists under this Agreement or any of the Security Documents or the making of such payment will result in a default.
- (i) Borrower shall not make any alterations to the Equipment, except for routine alterations required to improve, update or certify the Equipment which do not reduce the value of the Equipment.

- (j) The use of the Equipment shall not be changed to any use which would result in a change of capital cost allowance class.
- (k) Borrower shall not undertake any actions with respect to their business operations and/or capital structure which would, in the determination of Lender, have a Material Adverse Effect on Borrower.

**18. REPORTING:**

- (a) Borrower shall deliver to Lender:
  - i. unaudited internally prepared, monthly financial statements of the Borrower within thirty (30) days of the end of each month;
  - ii. a compliance report signed by an officer of the Borrower within thirty (30) days of the end of each month, the effect that full payment has been made of all source deductions (employee deductions, CPP, employment insurance and goods and services tax) required by the applicable government authority have been paid in full and there are no principal interest arrears, all property taxes have been paid and Borrower is in full and complete compliance with conditions of this Agreement;
  - iii. a report setting out the sales by the Borrower of Aggregate (as defined in the Senior Loan Agreement) in the last month and the proceeds of sale of Aggregate actually received in the last month by the Borrower within thirty (30) days of each month end, including confirmation that all royalties in respect of the Aggregate have been paid in full for such month;
  - iv. monthly, within 30 days after the end of each fiscal month of Borrower, or otherwise upon request of Lender, the financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable;
  - v. monthly, or such other interval at Lender's sole discretion, an updated asset listing with respect to the Equipment, which includes, but is not limited to, the location and/or storing site of the Equipment;
  - vi. a report on all equipment (as defined in the Alberta *Personal Property Security Act*) purchased and sold which has a purchase or sale price, as applicable, in excess of \$50,000, including costs incurred in such sales and application of proceeds of sale, within one hundred and twenty (120) days of the end of the fiscal year;

- vii. annually, within 120 days after the end of each fiscal year of Borrower, the audited or reviewed financial statements of Borrower, including profit & loss statements and balance sheets and schedules of accounts receivable and accounts payable and cash flow statements;
  - viii. a business plan and monthly operating budget for the coming fiscal year within thirty (30) days of the end of each fiscal year, including a financial forecast, including income statements, capital expenditures statements, capital expenditure, budget, balance sheet, cash flow and a detailed list of assumptions; and
  - ix. any further information, data, financial statements and reports, accounting or banking statements which Lender may from time to time require, acting reasonably.
- (b) In addition, Borrower agrees that Lender shall be entitled to and have the right to, but not the obligation, to request the following, each at the reasonable cost of Borrower:
- i. annually, or such other interval if Lender, acting reasonably, believes its security may be materially impaired, an updated appraisal or opinion of value in respect of the Collateral satisfactory to Lender, completed by an appraisal firm satisfactory to Lender.

**19. INDEMNITY:** Borrower hereby indemnifies Lender and agrees to save Lender harmless from and against all loss, cost (including taxable costs on a solicitor and client basis) and expenses (including actual legal fees and disbursements incurred by Lender) whatsoever arising in connection with this Agreement, the Equipment and the use thereof, including but not limited to its manufacture, selection, purchase order, possession, use, operation or return and recovery of claims under any insurance policy relating to the Equipment and enforcement of the rights of Lender hereunder. This indemnity will survive the termination of this Agreement.

**20. DEFAULT:** Each of the following is a “default”:

- (a) Borrower fails to make any Loan Payment or pay any other sum owing under this Agreement or any Security Document within 3 Business Days after the same is due and payable; or
- (b) Borrower or Guarantor shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder or under the Security Documents, including any reporting requirements, provided that for the affirmative covenants contained in Section **Error! Reference source not found.** Borrower and Guarantor shall have 5 Business Days to cure any such failure; or
- (c) any representation or warranty made by Borrower or the Guarantor herein or

in any document or certificate furnished to Lender in connection herewith or pursuant hereto, including pursuant to the Security Documents, shall prove to be incorrect at any time in any material respect; or

- (d) Borrower or Guarantor fails to pay its employees in the ordinary course of business when such payments are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (e) Borrower or Guarantor defaults under its material obligations to governmental agencies when such obligations are due, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or
- (f) Borrower or Guarantor fails to remit taxes or source deductions or any other amounts due to the Canada Revenue Agency when due and payable, provided that Borrower and Guarantor shall have 10 Business Days to cure any such default; or
- (g) if any event of default as defined in any indenture, agreement or instrument evidencing, or under which, any indebtedness of Borrower or Guarantor is outstanding shall have happened and be continuing, and such default either involves the failure to make any payment, whether of principal, interest or otherwise, in an amount exceeding \$50,000 or which results in the acceleration of any debt exceeding \$50,000; or
- (h) if a decree or order of a court of competent jurisdiction is entered adjudging Borrower or Guarantor a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of Borrower or Guarantor (as applicable) under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against, or against any substantial part of the assets of Borrower or Guarantor or proceedings commenced for the dissolution, liquidation or winding-up of Borrower or Guarantor; or
- (i) if a final judgment or decree for the payment of money due shall have been obtained or entered against Borrower or Guarantor in an amount which, in the reasonable opinion of Lender, would materially and adversely affect the ability of Borrower or Guarantor to fulfill its obligations to Lender under this Agreement and such judgment or decree shall not have been and remain vacated, discharged or stayed pending appeal within the applicable appeal period; or
- (j) if any of the security, as outlined in the Security Documents, shall cease to be a valid and perfected first priority security interest in the assets charged thereby as against third parties, provided that Borrower and Guarantor shall have 5 Business Days to cure any such default; or



- (k) the occurrence of a Material Adverse Effect; or
- (l) if the Equipment or any other assets charged by the Security Documents or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
- (m) if Borrower or Guarantor is a corporation, and (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this Agreement; (ii) changes its name without obtaining the prior notice to Lender; (iii) any special resolution is passed on other proceedings taken regarding the wind-up of the corporation; or (iv) it ceases to carry on the business presently conducted by it; or
- (n) Borrower shall suffer the loss or suspension of any licenses, permits, or other operating authorities required for the present operation of its business or any part of it, and such loss or suspension would reasonably be expected to result in a Material Adverse Effect; or
- (o) Borrower or Guarantor defaults under any other agreement with Lender or any of its affiliates.

**21. REMEDIES:** Upon the happening of any default Lender may, to the extent permitted by law:

- (a) appoint an individual to monitor the day-to-day operations of Borrower, with approval rights on all cash disbursements and all material contracts of Borrower; or
- (b) declare the then outstanding Loan Payments, interest, costs and all moneys owing by Borrower and all Obligations to be immediately due and payable and such moneys and liabilities shall forthwith become due and payable without presentment, demand, protest or other notice of any kind to Borrower, all of which are hereby expressly waived; or
- (c) exercise any or all of its remedies under the Security Documents or any rights and remedies available at law or in equity; or
- (d) take possession of the Equipment Collateral for the purposes of administration and for that purpose enter any premises where the Equipment is located whether or not the Equipment is affixed to any such premises, and sell, lease or otherwise dispose of the Equipment Collateral, or both, by public or private means and upon such terms and consideration as Lender may in its sole discretion accept. Borrower hereby waives any damages or claim to damages arising from any retaking of possession under the terms of this Agreement or

any Security Documents; or

- (e) terminate the Loan and by written notice to Borrower require Borrower to forthwith pay to Lender on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as penalty the present worth of the aggregate of all unpaid amounts due hereunder as rent or otherwise to the expiration of the Term (as if the Loan had not been terminated) less the net amount received by Lender on any sale, lease or other disposition of the Equipment.

No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to Lender at law or in equity; and in particular pursuant to the Personal Property Security Act or other similar legislation of the jurisdiction under whose laws this Agreement may from time to time be interpreted. If upon disposition of the Collateral under this Agreement or any Security Documents or under the provisions of any remedies available to Lender there shall be a surplus, such surplus shall be the property of Lender if not prohibited by law.

- 22. **LENDER'S RIGHTS:** If Borrower fails to perform or comply with any Obligations, Lender may, but has no obligation to, perform same in the name of Borrower or Lender and make all necessary disbursements in connection therewith, which shall be reimbursed by Borrower immediately on demand. Lender is hereby appointed Borrower's lawful attorney to take any such action in Borrower's name.
- 23. **EXPENSES:** Borrower shall pay Lender on demand all reasonable costs incurred by Lender, directly or indirectly, including, without limitation, expenses of legal counsel, due diligence, appraisals, environmental audits and reports, consulting engineers' fees, security filings, transfer fees and taxes, survey costs and other third party costs, as well as time spent by Lender's personnel and reasonable expenses incurred by Lender's personnel, in conjunction with preparing the Loan documents or in respect of the transaction contemplated herein, regardless of whether or not the loan is completed and funded. Borrower agrees to pay all of Lender's reasonable costs incurred from time to time (including without limitation reasonable legal fees, accountant fees and additional monitoring fees) incurred following the occurrence and continuance of an event of default in the operation, recovery or enforcement of this Agreement or any other agreement entered into pursuant to this Agreement.
- 24. **EXPENSE UNDER DEFAULT:** If Borrower repudiates the Loan or is in default hereunder Borrower shall be liable for any and all unpaid additional Loan Payments due or to become due hereunder, interest, and other costs and expenses incurred by reason of any event of repudiation or of default or the exercise of Lender's remedies in respect thereof.
- 25. **WAIVER BY LENDER:** No delay or omission to exercise any right or remedy accruing to Lender upon any breach or default of Borrower will impair any such right

or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval on the part of Lender of any breach or default under this Agreement or of any provision or condition hereof, must be in writing and will effect only to the extent in such writing specifically set forth. All remedies, either under this Agreement or at law or in equity or otherwise afforded to Lender, are cumulative and not alternate.

26. **WAIVER BY BORROWER:** To the extent not prohibited by law or statute, Borrower hereby waives the benefit of all provisions of all applicable conditional sales, regulatory credit and other statutes and regulations made thereunder any and all Provinces and Territories of Canada, which would in any manner affect, restrict or limit the rights of Lender hereunder, including, without limiting the generality of the foregoing, all of Borrower's rights, benefits and protections given or afforded by the provisions of the *Limitations of Civil Rights Act* of Saskatchewan as amended and *The Distress Act* of Manitoba. Borrower also waives and assigns to Lender the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.
27. **BINDING UPON HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives, provided that nothing in this clause contained shall impair any of the provisions hereinbefore set forth prohibiting transfer of the Equipment by Borrower, or assignment of this Agreement by Borrower without the written consent of Lender.
28. **ASSIGNMENTS AND SUBLETTING:** Borrower shall not transfer, deliver up possession of, or lease the said Equipment, and this Agreement and any Loan shall not be assignable by Borrower without written permission of Lender, which permission may be arbitrarily withheld. Other than to a direct competitor of Borrower, Lender may at any time assign all or part of its interest in this Agreement or any Loan and nothing contained herein shall prevent Lender from assigning, pledging, mortgaging, transferring or otherwise disposing, either in whole or in part, of Lender's rights hereunder. Borrower hereby accepts such assignments and waives signification of the act of assignment and the delivery of a copy thereof. Borrower shall recognize any such assignment, transfer or pledge and shall not assert against any assignee any claims or rights of set off, defences or abatement which it may have against the original Lender respecting this Agreement or any Loan and waives all claims and equities against assignee's rights to enforce this Agreement or any Loan based on Lender's alleged failure to perform same.
29. **FURTHER ASSURANCES:** Borrower agrees to do all things and execute all documents as may reasonably be required by Lender in order to give effect to this Agreement including and to provide Lender with a security interest in the Equipment, proceeds of the Equipment and all other assets as required by the Security Documents.

30. **SEVERABILITY:** Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law or jurisdiction shall, at the sole option of Lender, be ineffective as to such jurisdiction without invalidating the remaining provisions of this Agreement, provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Borrower.
31. **INTERPRETATION:** It is hereby agreed by and between the parties hereto that whenever the context of this Agreement so requires, the singular number shall include the plural and vice versa, and that words importing the masculine gender shall include the feminine and neuter genders, and that in case more than one Borrower is named as Borrower, the liability of such Borrowers shall be joint and several, without benefit of division or discussion.
32. **APPLICABLE LAW:** This Agreement shall be interpreted and enforced in accordance with the laws of the Province of Alberta.
33. **TIME:** Time is of the essence of this Agreement.
34. **NAME CHANGE, ETC.:** Borrower shall promptly notify Lender in writing of:
- (a) any change in name of Borrower or Guarantor;
  - (b) any transfer, authorized or unauthorized, by Borrower of any interest in or benefit from the Equipment;
  - (c) any change, authorized or unauthorized, by Borrower in the location of any Equipment; and
  - (d) any change in the location of Borrower's head office specified in the Schedule.
35. **CHOICE OF LANGUAGE:** The parties hereby acknowledge that they have required this contract and all other agreements and notices required or permitted to be entered into or give pursuant hereto, to be drawn up in the English language. Les parties reconnaissent avoir demandé que le présent contrat ainsi que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés dans la langue anglaise.
36. **HEADINGS:** The insertion of headings in this Agreement is for convenience of reference only and shall not affect the interpretation thereof.
37. **NOTICES:** Any notice, demand, consent or other communication required or permitted hereunder ("**Notice**") shall be in writing and may be delivered, or sent by prepaid registered mail, or by telex, telecopier, email or other means which produces a permanent written record (a "**transmission**"). Mailed Notice shall be deemed to have been given two Business Days after mailing provided there is no general disruption or stoppage of postal services then in effect, in which case delivery shall be made by one

of the other methods permitted herein; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult, and transmissions shall be deemed to have been received at the opening of the next Business Day immediately following transmission. Addresses for Notice shall be those addresses stated on the face hereof and may be changed in accordance with the foregoing.

38. **ENTIRE AGREEMENTS:** This Agreement together with any and all Schedules constitutes the entire agreement between Borrower and Lender.
39. **COPY OF AGREEMENT:** Borrower acknowledges receipt of a copy of this Agreement and waives all right to receive from Lender copies of financing statements, financing change statements or verification statements filed with respect to this Agreement.
40. **PPSA WORDS AND EXPRESSIONS:** Words and expressions used herein that have been in the Personal Property Security Act of the jurisdiction under whose laws this Agreement may from time to time be interpreted shall have the same meaning herein.
41. **CREDIT INFORMATION:** Each of Borrower and Guarantor hereby authorize Lender and any of its representatives or partners to collect, use and disclose its personal information for the purposes of investigating and providing financial services. Borrower and Guarantor have been informed by Lender or its partners or representatives, that its personal information is collected, used and disclosed for the following purposes: (i) to collect credit and related financial information from me, from credit agencies, and from any parties listed herein, (ii) to use the information collected to determine financial situation of Borrower and Guarantor and confirm identity of Borrower and Guarantor, to provide financial services Borrower has requested and to offer additional products and services of Lender that may be of benefit to Borrower and Guarantor, (iii) to share the information with assignees, bankers or funding partners of Lender, (iv) to share the information collected and any information on Borrower's commercial dealings with Lender with credit agencies or other financial institutions. Further, Borrower and Guarantor each specifically acknowledges that Lender may assign this Agreement and any related agreements in whole or in part from time to time and agrees that any personal information collected in relation to this Agreement may be made available to any such proposed assignee.
42. **CONFIRMATION OF PAYABLE STATUS:** Borrower certifies to Lender that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, Borrower certifies that all sums owed privileged and preferred creditors, including government agencies have been paid and are current amounts owing in accordance with the permitted time frame for payment set by the particular creditor/agency. Borrower agrees to maintain such payables in a current status while indebted to Lender and to provide Lender with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, Borrower hereby authorizes Lender to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and Borrower hereby directs such departments to provide Lender information respecting Borrower's status of payments due to such government departments and/or agencies.

**43. CONFIDENTIALITY:**

- (a) Borrower agrees not to disclose, and to cause Related Parties (as defined below) not to disclose any of the terms, conditions or other facts relating to this Agreement, including the status thereof (all such information whether written or oral, the other documents and such other materials relating to this Agreement as may hereafter be exchanged between the parties, being hereinafter referred to as the "**Loan Information**"), except that Loan Information may be disclosed to its direct and indirect shareholders, lenders, principals, lawyer, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel (collectively, the "**Related Parties**"). Related Parties will be informed of the confidential nature of the Loan Information and will be directed to keep the Loan Information in the strictest confidence and to use the Loan Information only for the purpose of causing the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing the Borrower and Related Parties may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Related Party) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.
- (b) Lender agrees that it shall not, and shall cause its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel, not to disclose any Loan Information, or any financial, operational or other non-public information relating to the Borrower or any Guarantor to any competitor of the Borrower. Notwithstanding the foregoing the Lender and its affiliates, principals, lawyers, accountants, consultants, partners, employees or agents and their respective affiliates and legal counsel may disclose Loan Information (i) as required by law, order or rule (including the rules of any applicable supervisory or regulatory authority having jurisdiction over such Person) or regulation or a court of competent jurisdiction, (ii) in seeking to establish any defense in any legal or regulatory proceeding or investigation relating to the matters set out herein, or (iii) in connection with any actual or potential dispute or claim which relates to the matters set out herein.

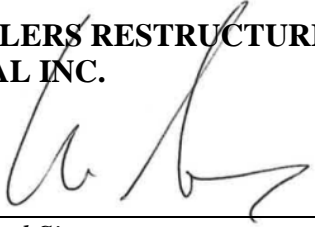
44. **COUNTERPARTS/ELECTRONIC DOCUMENTS OR SIGNATURES:** This Agreement and each Schedule may be executed in counterparts. The counterpart that has Lender's original signature and/or is in Lender's possession will constitute the single true original agreement for all purposes. Borrower may execute and/or transmit this Agreement manually, by facsimile or other electronic or digital means. If Borrower signs and transmits this Agreement by facsimile or other electronic transmission, that copy, upon execution by Lender (either manually or electronically), shall be binding on the parties. Borrower agrees to deliver to Lender upon request the counterpart to this Agreement containing Borrower's manual signature.
45. **JOINT & SEVERAL LIABILITY:** If more than one person executes this Agreement as Borrower, and, where the context so admits, each reference in this Agreement to "Borrower" shall include reference to any one or more or all of such persons and the acts or omissions of any such persons shall bind all of them. Each Borrower hereby: (i) expressly acknowledges and confirms its joint and several liability under this Agreement, and that each of them receives benefit and consideration from the financial accommodation provided herein by Lender (ii) irrevocably and unconditionally accepts, not merely as a surety but as a co-debtor, joint and several liability with the other Borrower(s) with respect to the payment and performance of all of the Obligations under this Agreement; (iii) acknowledges that any notice delivered to a Borrower at the address set out in this Agreement shall be deemed to have been received by each Borrower concurrently; (iv) until the final unconditional payment and performance in full of all of the Obligations under this Agreement: (a) no Borrower shall exercise by way of subrogation, reimbursement or otherwise any rights such Borrower may have against another Borrower or any Guarantor of such obligations arising as a result of amounts paid hereunder; (b) no Borrower shall threaten, make or advance any claim in competition with Lender in respect of any payment hereunder in any bankruptcy, insolvency or reorganization case or proceedings of any nature; and (c) no Borrower shall claim any setoff, recoupment or counterclaim against another Borrower or any Guarantor in respect of any liability of another Borrower or such Guarantor, and (v) Lender's rights hereunder may be enforced from time to time against any Borrower without requirement on the part of Lender first to marshal any of its claims or to exercise any of its rights against any other Borrower or to exhaust any remedies available to it against any other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy.

*[Signature Page Follows]*

The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

**LENDER:**

**TRAVELERS RESTRUCTURING  
CAPITAL INC.**



---

*Authorized Signatory*  
Name: Warren Miller  
Title: Vice President

**BORROWER:**

**MANTLE MATERIALS GROUP, LTD.**

---

*Authorized Signatory*  
Name:  
Title:



The parties hereby acknowledge and agree to the terms and conditions of this Agreement as of the date first written above.

**LENDER:**

**TRAVELERS RESTRUCTURING  
CAPITAL INC.**

---

*Authorized Signatory*  
Name: Warren Miller  
Title: Vice President

**BORROWER:**

**MANTLE MATERIALS GROUP, LTD.**



---

*Authorized Signatory*  
Name: Jeff Ryks  
Title: Chief Financial Officer

## SCHEDULE TO LOAN AND SECURITY AGREEMENT

### SCHEDULE NO. 1

Loan and Security Agreement Schedule Number 1 to the Loan and Security Agreement dated October 8, 2021 (as amended or amended and restated from time to time, the “**Loan and Security Agreement**”) among Travelers Restructuring Capital Inc., as lender (the “**Lender**”), and MANTLE MATERIALS GROUP, LTD., as borrower (the “**Borrower**”).

In consideration of the covenants and agreements between Lender and Borrower contained in the Loan and Security Agreement and herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender provides to Borrower the loan described below, on the terms and conditions of this Schedule and the Loan and Security Agreement. Any capitalized term not defined herein will have the meaning given to it in the Loan and Security Agreement.

#### **1. BORROWER**

MAILING ADDRESS 9046 22 Ave SW		TEL.NO. 780-826-1774
CITY/PROV. Edmonton, AB		POSTAL CODE T6X 1Z6
CONTACT/TITLE Jeff Ryks	BANK NAME and ADDRESS: The Toronto-Dominion Bank, 10205 101 Street, 148 Edmonton City Centre East, Edmonton, Alberta, T5J 2Y8	FAX NO. 780-826-6280
HEAD OFFICE ADDRESS 9046 22 Ave SW, Edmonton, AB T6X 1Z6		

#### **2. FINANCED AMOUNT**

The principal amount of up to \$1,700,000.00 (the “**Financed Amount**”), to be made by way of a single advance to the Borrower upon satisfaction of the Conditions Precedent set out in the Loan and Security Agreement and any Conditions to Funding in this Schedule No. 1.

#### **3. FINANCING RATE**

The Financed Amount shall bear interest at the rate of 11.50% per annum, calculated in arrears and payable monthly (the “**Financing Rate**”).

#### **4. PURPOSE**

The Financed Amount shall be used for the purpose of the acquisition of the Equipment set out in Exhibit A pursuant to a purchase and sale agreement between the Borrower and Flasha Holdings Ltd., and the Financed Amount shall only be used to the Borrower to acquire the Equipment and to pay the Loan Fees,

Loan Documentation Fee, legal fees and expenses of legal counsel to the Lender and all other fees and costs associated with the acquisition of the Equipment.

The Lender shall advance the Financed Amount directly to Flasha Holdings Ltd. (or as directed by Flasha Holdings Ltd. or its trustee) in payment of the purchase price for the Equipment.

## 5. AVAILABILITY

Unless otherwise agreed upon and permitted by Lender, any Financed Amount not advanced by the date which is 1 months from the date of the Commencement Date will be automatically cancelled.

In addition to the conditions precedent set out in the Loan and Security Agreement, it shall be a condition precedent to this Loan that the Borrower provide a form of vesting order with respect to the Equipment to the Lender which will be issued to the Borrower upon completion of the acquisition of the Equipment and will evidence the Borrower as the legal and beneficial owner of the Equipment.

## 6. EQUIPMENT

See attached Exhibit A.

PLACE OF USE OF EQUIPMENT (OR, IF MOBILE GOODS, SPECIFY SUCH)

The province of Alberta – and any other area as approved in writing by the Lender in writing.

The Borrower agrees that the Equipment located at the location above will not be moved without prior written consent of Lender.

## 7. TERM

TERM (MONTHS)	COMMENCEMENT DATE	TERMINATION DATE
Approximately 36 months from the Commencement Date	October 8, 2021	October 15, 2024

## 8. LOAN PAYMENTS

Loan Payments will be made MONTHLY  QUARTERLY  OTHER

The Borrower shall pay thirty-six (36) monthly Loan Payments of blended principal and interest. The Loan Payments will be calculated based on a fifty-four (54) month amortization. For clarity, any outstanding balance of the Financed Amount will be due at the Termination Date.

Loan Payments shall become due and payable on the fifteenth day of the subsequent month following the Commencement Date shown above.

**9. FEES**

In addition to the Loan Payments, Borrower will pay to Lender:

- (a) a Loan Fee equal to 2.15% of the total Financed Amount; and
- (b) a Loan Documentation Fee equal to \$2,500.00.

**10. PREPAYMENT**

The Financed Amount may not be prepaid in whole or in part until such a date that is after twelve (12) Loan Payments have been received by the Lender. Thereafter, the Financed Amount may be prepaid in whole or in part prior to the Termination Date, provided however, that:

- (a) the Borrower shall provide to the Lender not less than ten (10) days prior written notice of such prepayment; and
- (b) at the time of such prepayment, the Borrower shall also pay to the Lender the amount that equals the lesser of (i) 6 months interest payable in respect of the prepayment, or (ii) the remaining interest payable in respect of the prepaid amount if prepayment had not occurred.

*[Signature Page Follows]*

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

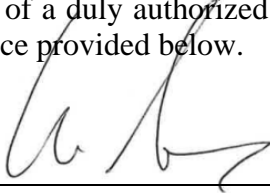
**LENDER**

**BORROWER**

**TRAVELERS RESTRUCTURING  
CAPITAL INC.**

**MANTLE MATERIALS GROUP, LTD.**

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



\_\_\_\_\_  
*Authorized Signatory*  
Name: Warren Miller  
Title: ViceP resident

\_\_\_\_\_  
*Authorized Signatory*  
Name:  
Title:

\_\_\_\_\_  
*Authorized Signatory*  
Name:  
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021

October 8, 2021

In witness whereof the parties have executed this Schedule No. 1 on the respective dates set forth below and this Schedule shall be deemed to have been executed on the later of such dates.

**LENDER**

**BORROWER**

**TRAVELERS RESTRUCTURING  
CAPITAL INC.**

**MANTLE MATERIALS GROUP, LTD.**

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



\_\_\_\_\_  
*Authorized Signatory*

Name:  
Title:

\_\_\_\_\_  
*Authorized Signatory*

Name: Jeff Ryks  
Title: Chief Financial Officer

\_\_\_\_\_  
*Authorized Signatory*

Name:  
Title:

DATE OF LENDER'S ACCEPTANCE

DATE OF ACCEPTANCE OF BORROWER

October 8, 2021  
\_\_\_\_\_

October 8, 2021  
\_\_\_\_\_

**EXHIBIT "A"  
EQUIPMENT**

<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
1	M6545 & M6546	2015	Elrus	2054	Jaw Screen Plant	M6545ERC15JS
2	M4768 & 4617	2008	Elrus	H4800CC	Cone Crusher	M4768ER08CC
3	M4544 & M4545	2008	Elrus	6X20 3D SP	Screen Plant	M4544ER08SP
4	M6443	2014	Elrus	42"	Belt Feeder	M6443ERC14F
5	M5379	2011	Elrus	30 YRD SB	Surge Bin	M5379ERC11SB
6	CM1	2006	Trio	36"	Coarse Washer	TCW3618-178
7			Eagle Iron Works		Sand Screw	9789
8	M4540	2008	Elrus	6X10 CT	Control Tower	M4540ER08CT
9		1995	Bonair	BA-19SS	Testing Travel Trailer	2BL2RSH29S2450233
10	M5650	2011	Superior	36X125 PC	Radial Stacking Conveyor	216044
11	Stacker 1	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8608-08
12	Stacker 2	2008	Superior	36X60 PRSC	Portable Radial Stacking Conveyor	8607-08
13	Jump 1		Superior	36X60 PFTC	Portable Transfer Conveyor	8191
14	Jump 2	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	7252-07
15	Jump 3	2007	Superior	36X60 PFTC	Portable Transfer Conveyor	8190-07
16	Stacker 3		Telsmith	20X40	Portable Transfer Conveyor	PK40T274
17			Rice Lake	EZ8010-ST-ATV	Portable Truck Scale	3FBP
18			Ancoma	PV5301030S	Portable Truck Scale	301109
19	AT3	2014	Komatsu	HM300-3	Articulated Dump Truck	KMTHM011H29003484
20	AT2	2008	Komatsu	HM300-2	Articulated Dump Truck	KMTHM005K54A11150
21		2013	Komatsu	PC490LC-10	Excavator	KMTPC239C54A40412
22		2012	Komatsu	PC290LC-10	Excavator	KMTPC241E54A25013
23	WL-01	2008	Komatsu	WA500-6	Wheel Loader	KMTWA096E57A92512
24	WL-04	2006	Komatsu	WA500-6	Wheel Loader	KMTWA096P01055036
25	WL-03	2012	Komatsu	WA380-7	Wheel Loader	KMTWA118A01010060

<u>Item</u>	<u>Unit</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Description</u>	<u>Serial Number</u>
26	WL-02	2007	Komatsu	WA380-6	Wheel Loader	KMTWA095K57A53125
27	D1	1986	Caterpillar	D6D	Crawler Dozer	04X10622
28		2015	Case	SR200	Skid Steer	JAFSR200KEM467993
29	Unit 1	2012	Western Star	4900FA	Tandem Dump Truck	5KKHAEDR1CPBL0002
30	Unit 3	2011	Western Star	4900SA	Tandem Tractor	5KKHALDR0BPAZ2488
31	BD01	2008	Castleton		Tridem Bottom Dump Trailer	2C9B3S4D38S133073
32	ED01	2012	Arne's		Tridem End Dump Trailer	2A9073735CA003146
33	P-2	2012	Arne's		Tridem End Dump Pup Trailer	2A9212932EA003965
34	LB01	1988	Columbia	SFM-40	Tridem Lowbed Trailer	2C9HFD2W4G1026006
35		1981	Fruehauf	FB9 F2W 14M 102	Tandem Van Trailer	2H8V04523BS004517
36		1985	GMC	Grumman	S/A Van Truck	1GDHP32T3F3510093
38		2015	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KWEG7FF613309
39		2013	Chevrolet	2500HD LTZ	4X4 Crewcab Pickup Truck	1GC1KYEG5DF106658
40	LT-03	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA7DU449843
41	LT-02	2013	Doosan/IR	L8-60HZ-T4F	Light Tower	4FVLTBDA3DU447703
42	LT-05	2005	Allmand	ML20330	Light Tower	0021MXL05
43	LT-06		Allmand	ML20330	Light Tower	0020MXL05
44	LT-01	2003	Allmand	ML15330	Light Tower	0036MXL04
45	MP1	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11168B000784
46	Pump 2	2008	Magnum	4"	S/A Diesel Trash Pump	5AJGS11198B000746

[Schedule No. 1 to Loan and Security Agreement]

A166518\47778940\1





**FIRST AMENDMENT TO**  
**LOAN AND SECURITY AGREEMENT SCHEDULE NO. 1**

**RE:** Loan and Security Agreement Schedule No. 1 to the Loan and Security Agreement among Travelers Restructuring Capital Inc. (*now Travelers Capital Corp. pursuant to name change effective March 14, 2022*) (the “**Lender**”), Mantle Materials Group, Ltd., ( the “**Borrower**”), dated and accepted October 8<sup>th</sup>, 2021 (“**Schedule No. 1**”), entered into pursuant to the Loan and Security Agreement dated October 8<sup>th</sup>, 2021 (collectively with Schedule No. 1 to the Loan and Security Agreement, the “**Loan Agreement**”).

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The terms used in this amendment to Schedule No. 1 (the “**Amendment #1**”) and not otherwise defined have the meanings set out in the Loan Agreement. Unless the context of this Amendment #1 otherwise requires, the Loan Agreement, Amendment #1 and this Amendment #1 shall be read together and have effect as if contained in the same agreement and for further certainty this Amendment #1 shall form part of the Loan Agreement, which will continue in full force and effect.

In consideration of the premises, the mutual covenants and agreements hereinafter set forth and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree that Schedule No. 1 is hereby amended, effective from and including **October 15<sup>th</sup>, 2022**, as follows:

**EQUIPMENT**

Exhibit A to Schedule No. 1 is hereby amended as to remove the following equipment:

- 2007 Komatsu WA380-6 Wheel Loader, S/N: KMTWA095K57A53125
- 1986 Caterpillar D6D Crawler Dozer, S/N: 04X10622
- 2006 Komatsu WA500-6 Wheel Loader, S/N: KMTWA096P01055036
- 2011 Western Star 4900SA Tandem Tractor, S/N: 5KKHALDR0BPAZ2488
- 2013 Doosan/IR L8-60HZ-T4F Light Tower, S/N: 4FVLTBDA7DU449843
- 2012 Arne's Tridem End Dump Trailer, S/N: 2A9073735CA003146
- 2008 Castleton Tridem Bottom Dump Trailer, S/N: 2C9B3S4D38S133073
- 2012 Western Star 4900FA Tandem Dump Truck, S/N: 5KKHAEDR1CPBL0002
- 2012 Arne's Tridem End Dump Pup Trailer, S/N: 2A9212932EA003965
- 2003 Allmand ML15330 Light Tower, S/N: 0036MXL04
- Allmand ML20330 Light Tower, S/N: 0020MXL05
- 2005 Allmand ML20330 Light Tower, S/N: 0021MXL05
- 2013 Doosan/IR L8-60HZ-T4F Light Tower, S/N: 4FVLTBDA3DU447703

(the “**Sold Equipment**”),

which has been sold by the Borrower and has been discharged by the Lender, on the condition that the Lender be in receipt of not less than the respective discharge amounts for each asset, pursuant to which the Sold Equipment shall no longer be governed by the Loan Agreement.

Note: Lender is confirmed to be in receipt of the respective discharge amounts for the Sold Equipment as at the time of this writing.

**LOAN PAYMENTS**

The Loan Payments are hereby amended as follows:

NO. OF PAYMENTS	PAYMENT START DATE	PAYMENT AMOUNT
11	November 15, 2021	\$40,567.43
1	October 15, 2022	\$11,416.88
1	November 15, 2022	\$12,080.14
1	December 15, 2022	\$11,690.46
1	January 15, 2022	\$12,080.14
1	February 15, 2023	\$12,080.14
20	March 15, 2023	\$40,567.43

On the Termination Date, the principal balance, if any, will be due and payable by the Borrower.

**REPRESENTATIONS AND WARRANTIES**

Each Borrower represents and warrants to the Lender as follows:

- (a) the representations and warranties of the Borrower contained in the Loan Agreement continue to be true and correct as of the date of this Amendment #1; and
- (b) no default or event of default exists under the Loan Agreement.

**CONDITIONS TO AMENDMENT**

This Amendment will not be effective until:

- (a) the acceptance of this Amendment #1 by the Borrower;
- (b) Confirmation that Fiera Private Debt Fund V LP, Fiera Private Debt Fund VI LP, and Fiera Private Debt Fund GP Inc. (collectively, and any one, "Fiera") has agreed to provide working capital or payment relief to the Borrower, which shall be satisfactory to the Lender; and
- (c) receipt of the Amendment Fee and Loan Documentation Fee; and

**EXPENSES & FEES**

The Borrower shall pay all reasonable out-of-pocket fees and expenses incurred by the Lender in connection with the preparation, negotiation, registrations, discharge, documentation, completion, execution, delivery and review of this Amendment #1 and all other documents, instruments, and required registrations/discharges arising therefrom and/or executed in connection therewith.

Upon acceptance of this Amendment #1, the Lender will be entitled to an amendment fee equal to 215 basis points bps (“**Amendment Fee**”) of the current balance outstanding of the Financed Amount as at effective date of this Amendment #1, as well as a loan documentation fee in the amount of \$1,500.00 (“**Loan Documentation Fee**”). The Amendment Fee and Loan Documentation Fee shall be capitalized into the Financed Amount as at the effective date of this Amendment #1.

#### **MISCELLANEOUS**

Any provision in this Amendment #1 which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Amendment #1 may be executed and delivered in any number of counterparts and by way of PDF or facsimile, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

*[Signature Page Follows]*

In witness whereof the parties have executed this Amendment on the respective dates set forth below and this Amendment shall be deemed to have been executed on the later of such dates.

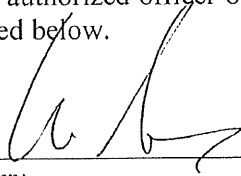
**LENDER**

**BORROWER**

**TRAVELERS CAPITAL CORP.**

**MANTLE MATERIALS GROUP, LTD.**

This loan shall not become binding upon Lender until accepted in writing as evidenced by the signature of a duly authorized officer of Lender in the space provided below.



\_\_\_\_\_  
*Authorized Signatory*  
Name: Warren Miller  
Title: VP

\_\_\_\_\_  
*Authorized Signatory*  
Name: Jeff O'Keefe  
Title: CFO

THIS IS EXHIBIT “D” TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

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A Commissioner for Oath in and for the  
Province of Alberta

# FLASH FINANCIAL REPORT

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August 2021



**MANTLE**

MATERIALS GROUP



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- 3 INCOME STATEMENT
- 4 BALANCE SHEET & COVENANTS
- 5 STATEMENT OF CASH FLOWS
- 6 LAST TWELVE MONTHS ("LTM") - INCOME STATEMENT

*These financial statements are internally prepared and have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.*

## INCOME STATEMENT

	Month to Date			Year to Date		
	Actual	Revised Budget	Variance	Actual	Revised Budget	Variance
<b>Revenue</b>	1,571,525	1,343,112	( 228,413 )	2,278,998	2,022,373	( 256,625 )
<b>Cost of Sales</b>	1,233,618	1,066,278	( 167,340 )	1,809,354	1,679,182	( 130,172 )
<b>Gross Profit</b>	337,907	276,834	( 61,073 )	469,644	343,191	( 126,453 )
<i>Gross Margin %</i>	22%	21%	-1%	21%	17%	-4%
<b>General &amp; Administrative</b>	151,772	166,353	14,581	710,673	727,761	17,088
<b>Operating Income</b>	186,135	110,481	( 75,654 )	( 241,030 )	( 384,570 )	( 143,540 )
<b>Other Expenses</b>						
Other Income		( 157,950 )	( 157,950 )		( 157,950 )	( 157,950 )
Interest	25,442	25,540	97	103,781	93,009	( 10,772 )
Fees	1,874	990	( 885 )	213,606	72,368	( 141,238 )
Loss(Gain) On Disposal Of Asset	-	-	-	( 12,064 )	-	12,064
Loss(Gain) On FV Change of Contingent Consideration	23,251	-	( 23,251 )	( 1,930,889 )	-	1,930,889
Tax Expense	-	-	-	-	-	-
<b>Total Other Expenses</b>	50,568	( 131,421 )	( 181,988 )	( 1,625,566 )	7,428	1,632,994
<b>Net Income</b>	135,567	241,902	106,335	1,384,536	( 391,997 )	( 1,776,534 )
<b>EBITDA</b>						
(+ ) Depreciation & Amortization	22,336	50,940	28,604	88,251	142,374	54,123
(+ ) Total Other Expenses	50,568	( 131,421 )	( 181,988 )	( 1,625,566 )	7,428	1,632,994
<b>Total Add Back</b>	<b>72,903</b>	<b>( 80,481 )</b>	<b>( 153,384 )</b>	<b>( 1,537,315 )</b>	<b>149,801</b>	<b>1,687,116</b>
<b>EBITDA</b>	208,471	161,421	( 47,050 )	( 152,778 )	( 242,196 )	( 89,417 )



**BALANCE SHEET & COVENANTS**

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	233,048	Accounts Payable	1,569,419
Accounts Receivable	1,515,568	Accrued Liabilities	217,724
Other Receivable	122,810	Wages Payable	-
Revenue in Excess of Billings	-	Vacation Payable	30,777
Prepaid Expenses & Deposits	462,194	Tax Payable	69,358
Assets Held for Sale	-	Current Portion of LTD	4,117
Tax Receivable	-	CPLTD Under Lease Obligation	218,515
Gravel Inventory - ATB	201,835	<b>Total Current Liabilities</b>	<b>2,109,910</b>
Gravel Inventory	348,075		
Parts Inventory	- 1	<u>Long Term Liabilities</u>	
<b>Total Current Assets</b>	<b>2,883,529</b>	Accrued Reclamation Obligation	1,223,868
		Future Income Tax	-
<u>Fixed Assets</u>		Due to Related Party	-
Property, Plant & Equipment	340,532		
Accumulated Depreciation - Property, Plant & Equip.	( 18,383 )	<u>Long Term Debt</u>	
Total Property, Plant & Equipment	322,149	Fiera Tranche A	3,730,500
		Fiera Tranche D	150,000
Right of Use Asset	387,693	Fiera Debt - Finance Fees (Contra)	( 172,444 )
Accumulated Depreciation - Right of Use Asset	( 69,868 )	ATB Mortgage	98,457
Total Right of Use Asset	317,825	Other Long Term Debt	-
		Current Portion of Long Term Debt (Contra)	( 4,117 )
<b>Total Fixed Assets</b>	<b>639,973</b>	Total Long Term Debt	3,802,396
<u>Other Assets</u>		<u>Long Term Debt Under Lease Obligation</u>	
Mineral Properties	9,229,164	Equipment Leases	21,996
Reclamation Security	846,935	Property Leases	312,175
Reclamation Trust	561,421	Current Portion of Lease Obligation (Contra)	( 218,515 )
Severance Trust	190,000	Total Long Term Debt Under Lease Obligation	115,657
Investment	860,208 2		
Due From JMB Estate	2,500	<u>Contingent Consideration</u>	
Deferred Tax Asset	-	Fiera Tranche B	4,192,663
Long Term Prepaid Expenses & Deposits	-	Fiera Tranche C	-
Capitalized Financing Fee	-	ATB Inventory Facility	46,468
<b>Total Other Assets</b>	<b>11,690,229</b>	Total Contingent Consideration	4,239,131
<b>TOTAL ASSETS</b>	<b>15,213,731</b>	<b>Total Long Term Liabilities</b>	<b>9,381,051</b>
		<b>TOTAL LIABILITIES</b>	<b>11,490,961</b>
		<u>Shareholders Equity</u>	
		Share Capital	58,161,801
		Beginning Retained Earnings	( 55,823,568 )
		Current Earnings	1,384,536
		Dividends Paid	-
		<b>Total Shareholders Equity</b>	<b>3,722,769 3</b>
		<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>15,213,731</b>

Notes

- 1 - Currently assessing opening parts inventory for lower of cost or net realizable value
- 2 - Currently assessing opening mineral properties value
- 3 - Opening shareholders equity still under evaluation with Deloitte
- 4 - Opening deferred tax asset calculation still under evaluation with Deloitte

**STATEMENT OF CASH FLOWS**

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-To-Date</u>	
<b>Beginning Cash Balance</b>	<b>203,482</b>	<b>-</b>
<i>Cash from operating activities:</i>		
Net Income	135,567	1,384,536
Depreciation	22,336	88,251
Change in Accounts Receivable	( 919,292 )	( 1,638,378 )
Change in Accounts Payable	679,911	1,817,920
Change in Gravel Inventory	146,942	( 549,909 )
Change in Parts Inventory	-	-
Change in Tax Payable	64,115	69,358
Change in Other Current Assets	( 9,812 )	( 836,682 )
	<b>119,766</b>	<b>335,096</b>
<i>Cash from investing activities:</i>		
Change in PP&E	-	( 728,225 )
Change In Investment	-	( 860,208 )
Change in Other Long Term Assets	( 4,940 )	( 9,229,164 )
	<b>( 4,940 )</b>	<b>( 10,817,597 )</b>
<i>Cash from financing activities:</i>		
Change In Revolver	-	-
Change in Long Term Debt	( 83,969 )	4,025,028
Change in Lease Obligation	( 19,114 )	115,657
Change in Contingent Consideration	17,823	4,239,131
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	( 2,500 )
Change in Equity	-	2,338,233
Change in Dividends	-	-
	<b>( 85,261 )</b>	<b>10,715,548</b>
<b>Ending Cash Balance</b>	<b>233,048</b>	<b>233,048</b>

**LAST TWELVE MONTHS ("LTM") - INCOME STATEMENT**
**Period End 31-Aug-21**

	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<b>LTM</b>
<b>Revenue</b>	-	-	-	-	-	-	-	-	-	25,861	681,612	1,571,525	2,278,998
<b>Cost of Sales</b>	-	-	-	-	-	-	-	-	18,522	10,345	546,870	1,233,618	1,809,354
<b>Gross Profit</b>	-	-	-	-	-	-	-	-	( 18,522 )	15,516	134,742	337,907	469,644
<i>Gross Margin %</i>										60%	20%	22%	21%
<b>General &amp; Administrative</b>	-	-	-	-	-	-	-	-	246,775	141,732	170,394	151,772	710,673
<b>Total Operating Income</b>	-	-	-	-	-	-	-	-	( 265,297 )	( 126,216 )	( 35,652 )	186,135	( 241,030 )
<b>Other Expenses</b>													
Interest	-	-	-	-	-	-	-	-	28,119	24,446	25,774	25,442	103,781
Fees	-	-	-	-	-	-	-	-	156,343	41,047	14,342	1,874	213,606
Loss(Gain) On Disposal Of Asset	-	-	-	-	-	-	-	-	-	-	( 12,064 )	-	( 12,064 )
Loss(Gain) On FV Change of Cont. Cons.	-	-	-	-	-	-	-	-	( 2,002,868 )	24,541	24,187	23,251	( 1,930,889 )
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Expenses</b>	-	-	-	-	-	-	-	-	( 1,818,407 )	90,034	52,239	50,568	( 1,625,566 )
<b>Net Income</b>	-	-	-	-	-	-	-	-	1,553,110	( 216,250 )	( 87,891 )	135,567	1,384,536
<b>EBITDA</b>													
(+) Depreciation & Amortization	-	-	-	-	-	-	-	-	21,761	21,819	22,336	22,336	88,251
(+) Total Other Expenses	-	-	-	-	-	-	-	-	( 1,818,407 )	90,034	52,239	50,568	( 1,625,566 )
<b>Total Add Back</b>	-	-	-	-	-	-	-	-	( 1,796,646 )	111,853	74,575	72,903	( 1,537,315 )
<b>EBITDA</b>	-	-	-	-	-	-	-	-	( 243,536 )	( 104,397 )	( 13,316 )	208,471	( 152,778 )
Adjustments to normalize EBITDA	-	-	-	-	-	-	-	-	120,780	-	10,377	19,155	150,312
<b>Adjusted EBITDA</b>	-	-	-	-	-	-	-	-	( 122,756 )	( 104,397 )	( 2,939 )	227,626	( 2,466 )

THIS IS EXHIBIT "C" TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

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A Commissioner for Oath in and for the  
Province of Alberta



**MANTLE**  
MATERIALS GROUP

**2021 Budget Report**  
Mantle Materials Group, Ltd.

September 1, 2021

# 2021 Budget

## *General Remarks*



- The 2021 budget report is a base case scenario and management believes the scenario will be exceeded; potentially up to 200% of adjusted EBITDA or more.
- Management is confident the base case scenario is virtually assured, as projected revenues are secured by a pre-existing 10-year annual supply contract with a AAA credit rated customer.
- Although Mantle Materials Group was formed through amalgamation on May 1, 2021, pit operations were not available for commencement until July 2021.
- Management is positioning the business for significant earnings growth in 2022.
- Please note, the repayment of contingent debt consideration is based on tonnage of aggregate sold. If there are no sales, the company is not obligated to make principal repayments.

# 2021 Budget Balance Sheet



**MANTLE**

MATERIALS GROUP

	<i>Actual</i>	<i>Budget</i>					Note
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
<i>Current Assets</i>							
Cash	203,482	26,397	131,644	190,088	576,415	802,205	5
Accounts Receivable	721,585	1,777,025	2,431,910	2,681,910	2,302,020	961,065	
Prepaid Expenses & Deposits	429,689	417,763	417,763	417,763	63,763	63,763	
Tax Receivable	16,947	-	-	-	-	-	
Gravel Inventory - ATB	203,576	875,970	869,975	863,981	857,986	851,991	
Gravel Inventory	493,276	387,329	310,279	221,260	223,062	292,577	
<b>Total Current Assets</b>	<b>2,068,555</b>	<b>3,484,484</b>	<b>4,161,571</b>	<b>4,375,002</b>	<b>4,023,245</b>	<b>2,971,602</b>	
<i>Fixed Assets</i>							
Property, Plant & Equipment	340,532	356,841	357,841	370,841	371,841	372,841	
Accumulated Depreciation - Property, Plant & Equip.	(13,681)	(18,547)	(23,181)	(28,487)	(33,663)	(39,010)	
<b>Total Property, Plant &amp; Equipment</b>	<b>326,851</b>	<b>338,294</b>	<b>334,660</b>	<b>342,354</b>	<b>338,178</b>	<b>333,831</b>	
Right of Use Asset	387,693	375,693	375,693	375,693	375,693	375,693	
Accumulated Depreciation - Right of Use Asset	(52,235)	(69,202)	(86,502)	(103,802)	(121,103)	(138,403)	
<b>Total Right of Use Asset</b>	<b>335,458</b>	<b>306,491</b>	<b>289,191</b>	<b>271,891</b>	<b>254,590</b>	<b>237,290</b>	
<b>Total Fixed Assets</b>	<b>662,309</b>	<b>644,785</b>	<b>623,851</b>	<b>614,244</b>	<b>592,769</b>	<b>571,120</b>	
<i>Other Assets</i>							
<i>Mineral Properties:</i>							
Exploration & Evaluation	-	-	15,333	30,667	46,000	46,000	
Accrued Reclamation Obligation Asset	-	217,965	217,965	217,965	217,965	217,965	2
Mineral Properties	9,224,224	12,825,123	12,825,123	12,825,123	12,825,123	12,825,123	
Accumulated Depreciation - Mineral Properties	-	(59,125)	(89,375)	(118,250)	(146,875)	(156,250)	
<b>Total Mineral Properties</b>	<b>9,224,224</b>	<b>12,983,963</b>	<b>12,969,046</b>	<b>12,955,505</b>	<b>12,942,213</b>	<b>12,932,838</b>	
Reclamation Security	846,935	790,069	790,069	790,069	790,069	790,069	
Reclamation Trust	587,362	514,636	467,851	421,066	374,281	327,496	
Severance Trust	190,000	190,000	190,000	190,000	190,000	190,000	
Investment	860,208	860,208	860,208	860,208	860,208	860,208	

# 2021 Budget

## Balance Sheet cont.



	<i>Actual</i>	<i>Budget</i>					Note
	<b>Jul-21</b>	<b>Aug-21</b>	<b>Sep-21</b>	<b>Oct-21</b>	<b>Nov-21</b>	<b>Dec-21</b>	
Deferred Tax Asset	-	-	-	-	-	-	4
Long Term Prepaid Expenses & Deposits	-	56,866	56,866	56,866	56,866	56,866	
<b>Total Other Assets</b>	<b>11,708,730</b>	<b>15,395,743</b>	<b>15,334,041</b>	<b>15,273,714</b>	<b>15,213,637</b>	<b>15,157,477</b>	
<b>TOTAL ASSETS</b>	<b>14,439,594</b>	<b>19,525,012</b>	<b>20,119,463</b>	<b>20,262,960</b>	<b>19,829,651</b>	<b>18,700,199</b>	
<i>Current Liabilities</i>							
Accounts Payable	954,902	1,593,582	2,114,145	2,220,186	1,833,455	958,231	
Accrued Liabilities	145,293	-	-	-	-	-	
Wages Payable	-	70,815	70,815	70,815	70,815	70,815	
Vacation Payable	37,814	44,217	44,217	44,217	44,217	44,217	
<i>Tax Payable:</i>							
GST Payable	22,191	3,751	20,099	15,676	33,673	32,080	
Source Deduction Payable	-	45,772	45,772	45,772	45,772	45,772	
Income Tax Payable	-	-	-	-	-	-	
Other Provision for Tax	-	(5,409)	(5,409)	(5,409)	(5,409)	(5,409)	
Tax Payable	22,191	44,114	60,462	56,039	74,036	72,443	
Current Portion of LTD	8,915	4,117	4,133	154,148	154,164	154,179	
CPLTD Under Lease Obligation	216,931	218,514	219,094	219,477	219,866	220,256	
<b>Total Current Liabilities</b>	<b>1,386,045</b>	<b>1,975,360</b>	<b>2,512,866</b>	<b>2,764,884</b>	<b>2,396,552</b>	<b>1,520,142</b>	
<i>Long Term Liabilities</i>							
Accrued Reclamation Obligation	1,227,117	1,374,918	1,328,133	1,281,348	1,234,563	1,187,778	2
<i>Long Term Debt:</i>							
Fiera Tranche A	3,730,500	3,730,500	3,730,500	3,730,500	3,730,500	3,730,500	
Fiera Tranche D	150,000	150,000	150,000	150,000	150,000	150,000	
Fiera Debt - Finance Fees (Contra)	(92,031)	(91,042)	(90,052)	(89,063)	(88,073)	(87,083)	
ATB Mortgage	98,785	98,457	98,127	97,785	97,453	97,108	
Other Long Term Debt	4,813	-	-	-	-	-	
Current Portion of Long Term Debt (Contra)	(8,915)	(4,117)	(4,133)	(154,148)	(154,164)	(154,179)	



# 2021 Budget

## Balance Sheet cont.



	<i>Actual</i>	<i>Budget</i>					Note
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Total Long Term Debt	3,883,152	3,883,798	3,884,442	3,735,074	3,735,716	3,736,346	
<i>Long Term Debt Under Lease Obligation</i>							
Equipment Leases	23,123	10,589	9,747	19,741	8,048	7,192	
Property Leases	328,579	312,175	295,676	279,081	262,389	245,600	
Current Portion of Lease Obligation (Contra)	(216,931)	(218,514)	(219,094)	(219,477)	(219,866)	(220,256)	
Total Long Term Debt Under Lease Obligation	134,771	104,250	86,329	79,345	50,572	32,536	
<i>Contingent Consideration</i>							
Fiera Tranche B	4,169,412	6,125,000	6,125,000	6,125,000	6,125,000	6,125,000	
ATB Inventory Facility	51,896	875,970	869,975	863,981	857,986	851,991	
Total Contingent Consideration	4,221,308	7,000,970	6,994,975	6,988,981	6,982,986	6,976,991	3
<b>Total Long Term Liabilities</b>	<b>9,466,348</b>	<b>12,363,936</b>	<b>12,293,880</b>	<b>12,084,748</b>	<b>12,003,837</b>	<b>11,933,651</b>	
<i>Shareholders Equity</i>							
Share Capital	58,161,800	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	
Beginning Retained Earnings	(55,823,568)	(52,900,509)	(52,900,509)	(52,900,509)	(52,900,509)	(52,900,509)	1
Current Earnings	1,248,969	(391,997)	(264,997)	(164,385)	(148,452)	(331,307)	
<b>Total Shareholders Equity</b>	<b>3,587,201</b>	<b>5,185,716</b>	<b>5,312,716</b>	<b>5,413,328</b>	<b>5,429,261</b>	<b>5,246,406</b>	
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>14,439,594</b>	<b>19,525,012</b>	<b>20,119,463</b>	<b>20,262,960</b>	<b>19,829,651</b>	<b>18,700,199</b>	

### Notes

- 1 - Retained earnings deficit will be brought forward from JMB Crushing Systems Inc. and Mantle Materials Group, Ltd. Exact amount is under evaluation.
- 2 - As pit land is disturbed by mining operations an ARO asset and liability of equal value is booked. The ARO liability is reduced as actual reclamation is performed. The ARO asset is depreciated on a Units of Production ("UoP") basis.
- 3 - Contigent consideration is recoded at cost in the budget, however for accounting purposes is recognized at fair value at each reporting period.
- 4 - No Deferred tax asset("DTA") calculation was budgeted however for accounting purposes will be calculated.
- 5 - Cash balance has since been revised based on reduced days sales outstanding. The 13 week cash flow report reflects managements current outlook.

# 2021 Budget Income Statement



**MANTLE**

MATERIALS GROUP

	Actual			Budget					FY2021
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Volume Produced (Tonnes)	-	-	52,968	46,200	48,400	46,200	45,800	15,000	250,000
Volume Stripping & Clearing (Tonnes)	-	-	300,000	-	-	-	-	-	200,000
Volume Sold (Tonnes)	-	1,026	25,410	51,300	51,300	51,300	37,900	4,000	221,026
<b>Revenue</b>									
Aggregate Sales	-	17,861	678,712	1,330,612	1,330,612	1,330,612	968,812	53,512	5,685,421
Other Revenue	-	8,000	2,900	12,500	12,500	12,500	12,500	12,500	70,500
<b>Total Revenue</b>	-	<b>25,861</b>	<b>681,612</b>	<b>1,343,112</b>	<b>1,343,112</b>	<b>1,343,112</b>	<b>981,312</b>	<b>66,012</b>	<b>5,755,921</b>
<i>Total Revenue per Tonne</i>	-	<b>17.41</b>	<b>26.71</b>	<b>25.94</b>	<b>25.94</b>	<b>25.94</b>	<b>25.56</b>	<b>13.38</b>	<b>25.72</b>
<b>Cost of Sales</b>									
<i>Direct Cost of Sales:</i>									
Subcontractors - Crushing	-	-	288,146	251,328	263,296	251,328	249,152	81,600	1,360,000
Subcontractors - Clearing & Stripping	-	-	282,388	-	-	-	-	-	300,000
Total Direct Cost of Aggregate Production	-	-	570,534	251,328	263,296	251,328	249,152	81,600	1,660,000
Net Changes in Aggregate Inventory	-	198	(410,281)	89,019	77,051	89,019	(1,801)	(69,515)	(211,577)
Total Cost of Aggregate Sold	-	198	160,254	340,347	340,347	340,347	247,351	12,085	1,448,423
Wages - Direct	-	-	4,352	6,399	6,193	6,399	6,193	-	31,583
Gravel Testing	-	-	900	-	-	-	-	-	-
Subcontractors - Trucking	-	-	227,214	425,700	425,700	425,700	305,100	-	1,800,000
Subcontractors - Other	-	-	10,021	18,920	18,920	18,920	13,560	-	86,000
Equipment Fuel/Oil/Grease	-	-	2,069	-	-	-	-	-	-
Road Usage Fees	-	-	2,021	10,000	17,520	18,920	13,560	-	60,000
Royalty Expense	-	-	111,053	212,850	212,850	212,850	152,550	-	900,000
<b>Total Direct Cost of Sales</b>	-	<b>198</b>	<b>517,885</b>	<b>1,014,216</b>	<b>1,021,529</b>	<b>1,023,136</b>	<b>738,313</b>	<b>12,085</b>	<b>4,326,006</b>
<b>Contribution Margin %</b>		<b>99%</b>	<b>24%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	<b>24%</b>	<b>77%</b>	<b>24%</b>
<i>Variable Cost Per Tonne</i>									
<i>Variable Cost Per Tonne - Aggregate</i>									
Subcontractors - Crushing	-	-	5.44	5.44	5.44	5.44	5.44	5.44	5.44
Subcontractors - Clearing & Stripping	-	-	0.94	-	-	-	-	-	1.50
Total Cost of Aggregate Production	-	-	6.38	5.44	5.44	5.44	5.44	5.44	6.94
Net Changes in Aggregate Inventory	-	0.19	(0.07)	-	-	-	-	-	-
Total Cost of Aggregate Sold	-	0.19	6.31	0.12	0.12	0.12	0.16	-	0.14
Wages - Direct	-	-	0.17	0.12	0.12	0.12	0.16	-	0.14
Gravel Testing	-	-	0.04	-	-	-	-	-	-

Note

1

# 2021 Budget

## Income Statement cont.



**MANTLE**

MATERIALS GROUP

	<i>Actual</i>			<i>Budget</i>					FY2021
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Subcontractors - Trucking	-	-	8.94	8.30	8.30	8.30	8.05	-	8.14
Subcontractors - Other	-	-	0.39	0.37	0.37	0.37	0.36	-	0.39
Equipment Fuel/Oil/Grease	-	-	0.08	-	-	-	-	-	-
Road Usage Fees	-	-	0.08	0.19	0.34	0.37	0.36	-	0.27
Royalty Expense	-	-	4.37	4.15	4.15	4.15	4.03	-	4.07
<b>Total Direct Cost Per Tonne Sold</b>	-	0.19	20.38	13.26	13.40	13.43	13.12	-	13.16
<b>Contributed Profit Per Tonne Sold</b>	-	17.21	6.33	12.68	12.54	12.50	12.44	13.38	12.56
<i>Indirect Cost of Sales</i>									
Wages - Indirect	2,965	2,777	2,942	13,399	12,967	13,399	12,715	19,538	104,773
Third Party Repair & Maintenance	-	-	-	500	500	500	500	500	3,500
Parts Expense	37	1,352	2,338	500	500	500	500	500	3,537
Equipment Rentals	-	-	-	1,000	1,000	1,000	1,000	1,000	7,000
Fuel - Pickup Trucks & Shop Equipment	-	207	495	500	500	500	500	500	3,500
Third Party Shop Services	115	195	195	500	500	500	500	500	4,661
Shop Personnel Lodging & Meals	-	-	-	500	500	500	500	500	3,500
Shop Supplies	94	-	117	300	300	300	300	300	2,194
Small Tools	-	8	-	300	300	300	300	300	2,100
Freight Expense	7,800	-	10,521	500	500	500	500	500	13,000
Safety Supplies	2,231	125	-	400	400	400	400	400	5,031
Licensing & Registration	-	146	84	23	23	23	23	23	163
Droning	-	-	6,440	-	-	-	-	10,000	10,000
Depreciation - Equipment	5,280	5,338	5,855	4,765	4,634	5,306	5,175	5,348	35,330
Amortization - Pit Development	-	-	-	28,875	30,250	28,875	28,625	9,375	156,250
<b>Total Indirect Cost of Sales</b>	<b>18,522</b>	<b>10,147</b>	<b>28,985</b>	<b>52,062</b>	<b>52,874</b>	<b>52,604</b>	<b>51,538</b>	<b>49,284</b>	<b>354,539</b>
<b>Total Cost of Sales</b>	<b>18,522</b>	<b>10,345</b>	<b>546,870</b>	<b>1,066,278</b>	<b>1,074,403</b>	<b>1,075,740</b>	<b>789,852</b>	<b>61,369</b>	<b>4,680,546</b>
<b>Gross Profit</b>	<b>(18,522)</b>	<b>15,516</b>	<b>134,742</b>	<b>276,834</b>	<b>268,709</b>	<b>267,372</b>	<b>191,460</b>	<b>4,643</b>	<b>1,075,376</b>
Gross Margin %		60%	20%	21%	20%	20%	20%	7%	19%
<i>General &amp; Administrative</i>									
Management Wages	80,184	88,978	101,984	90,047	87,039	88,953	85,027	87,861	701,750
Bonus Expense	75,000	-	-	-	-	-	-	-	75,000
Group Benefit Plan	1,022	1,502	2,794	1,894	1,894	1,894	1,894	1,894	14,111
WCB PIR Refund	(186)	-	-	-	-	-	-	-	(186)
Insurance	3,770	3,770	3,885	3,770	3,770	3,770	3,770	3,770	30,164

Note

3

# 2021 Budget

## Income Statement cont.



**MANTLE**

MATERIALS GROUP

	Actual			Budget					FY2021
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	
Accounting Fees	-	-	-	12,000	-	24,000	-	10,000	46,000
Legal Fees	-	-	2,500	1,500	1,500	1,500	1,500	1,500	10,500
Other Professional Services	27,633	-	-	1,420	1,420	1,420	1,420	1,420	37,573
Utilities	3,332	2,724	3,391	6,585	6,585	6,585	6,585	6,585	49,427
Property Rent	6,038	5,951	5,951	6,468	6,468	6,468	6,468	6,468	51,314
Property Taxes	5,368	5,368	5,841	4,728	4,728	4,728	4,728	4,728	37,139
Depreciation - Capitalized Property Lease	16,481	16,481	16,481	17,300	17,300	17,300	17,300	17,300	137,584
Advertising & Promotions	-	1,475	6,611	2,857	2,857	2,857	2,857	2,857	20,000
Business Subscriptions	-	-	-	125	125	125	125	125	875
Dues & Licenses	-	-	444	339	339	339	339	339	2,373
Office Supplies	43	726	714	150	150	150	150	150	1,693
Office Services	1,950	1,920	2,511	690	690	690	690	690	9,380
Small Office Assets	654	140	200	150	150	150	150	150	1,704
Bank Service Fees	138	245	237	30	30	30	30	30	348
Software Subscriptions	2,404	4,084	2,846	2,297	2,297	2,297	2,297	2,297	20,156
IT Services	248	630	135	300	300	300	300	300	2,348
Internet & Web Hosting	789	478	478	63	63	63	63	63	1,226
Communications	1,577	671	2,690	1,053	1,053	1,053	1,053	1,053	8,946
Management - Travel & Accommodations	-	-	2,031	1,500	1,500	1,500	1,500	1,500	10,500
Management - Vehicle Fuel	785	924	3,721	2,500	2,500	2,500	2,500	2,500	18,285
Management - Vehicle Repair & Maintenance	-	-	-	200	200	200	200	200	1,400
Management - Vehicle Allowances	4,144	5,517	3,769	2,900	2,900	2,900	2,900	2,900	24,444
Meals & Entertainment	-	148	829	4,000	4,000	4,000	4,000	4,000	28,000
Professional Development	734	-	-	1,287	1,287	1,287	1,287	1,287	9,743
Recruitment Expense	14,666	-	140	-	-	-	-	-	14,666
Gifts	-	-	208	200	200	200	200	200	1,400
<b>Total General &amp; Administrative</b>	<b>246,775</b>	<b>141,732</b>	<b>170,394</b>	<b>166,353</b>	<b>151,344</b>	<b>177,259</b>	<b>149,333</b>	<b>162,167</b>	<b>1,367,863</b>
<i>% of Revenue</i>		<i>548%</i>	<i>25%</i>	<i>12%</i>	<i>11%</i>	<i>13%</i>	<i>15%</i>	<i>246%</i>	<i>24%</i>
<b>Operating Income</b>	<b>( 265,297 )</b>	<b>( 126,216 )</b>	<b>( 35,652 )</b>	<b>110,481</b>	<b>117,364</b>	<b>90,114</b>	<b>42,128</b>	<b>( 157,523 )</b>	<b>( 292,488 )</b>
<b>Operating Income (Less Equip. &amp; Pit Depreciation)</b>	<b>( 260,017 )</b>	<b>( 120,878 )</b>	<b>( 29,797 )</b>	<b>144,121</b>	<b>152,248</b>	<b>124,295</b>	<b>75,928</b>	<b>( 142,801 )</b>	<b>( 100,908 )</b>
<b>Other Expenses (Income)</b>									
Other Income	-	-	-	( 157,950 )	( 36,040 )	( 36,040 )	-	-	( 230,030 )
Interest	28,119	24,446	25,774	25,540	25,414	24,552	25,205	24,342	192,523
Fees	156,343	41,047	14,342	990	990	990	990	990	76,327

Note

2

# 2021 Budget

## Income Statement cont.

	Actual			Budget					FY2021	Note
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21		
Loss(Gain) On FV Change of Contigent Consideration	(2,002,868)	24,541	24,187							-
Loss (Gain) On Disposal Of Asset	-	-	(12,064)							-
Tax Expense	-									-
<b>Total Other Expenses (Income)</b>	<b>(1,818,407)</b>	<b>90,034</b>	<b>52,239</b>	<b>(131,421)</b>	<b>(9,636)</b>	<b>(10,498)</b>	<b>26,195</b>	<b>25,332</b>		<b>38,819</b>
<b>Net Income</b>	<b>1,553,110</b>	<b>(216,250)</b>	<b>(87,891)</b>	<b>241,902</b>	<b>127,001</b>	<b>100,612</b>	<b>15,933</b>	<b>(182,855)</b>		<b>(331,307)</b>
<b>EBITDA</b>										
(+) Net Income	1,553,110	(216,250)	(87,891)	241,902	127,001	100,612	15,933	(182,855)		(331,307)
(+) Depreciation & Amortization	21,761	21,819	22,336	50,940	52,184	51,482	51,101	32,023		329,163
(+) Total Other Expenses from above	(1,818,407)	90,034	52,239	(131,421)	(9,636)	(10,498)	26,195	25,332		38,819
<b>EBITDA</b>	<b>(243,536)</b>	<b>(104,397)</b>	<b>(13,316)</b>	<b>161,421</b>	<b>169,548</b>	<b>141,595</b>	<b>93,228</b>	<b>(125,500)</b>		<b>36,676</b>
<b>Adjusted EBITDA</b>										
(+) EBITDA from above	(243,536)	(104,397)	(13,316)	161,421	169,548	141,595	93,228	(125,500)		36,676
(+) Total Adjustments to EBITDA	120,780	-	10,377	-	-	-	-	-		119,530
<b>Adjusted EBITDA</b>	<b>(122,756)</b>	<b>(104,397)</b>	<b>(2,939)</b>	<b>161,421</b>	<b>169,548</b>	<b>141,595</b>	<b>93,228</b>	<b>(125,500)</b>		<b>156,206</b>

### Notes

- 1 - Includes shop sub-rental income.
- 2 - Includes Canadian wage and rent subsidies.
- 3 - Pit development amortization methodology under evaluation.

# 2021 Budget Covenants

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
<u>Fixed Charge Coverage</u>					
LTM EBITDA	\$ (122,666)	\$ 46,882	\$ 188,478	\$ 281,706	\$ 156,206
Less: LTM Cash Taxes					
Less: Gross Capex	1,000	1,000	1,000	13,000	1,000
LTM Principal and Interest <sup>(1)</sup>	109,362	110,955	175,382	174,017	172,624
<b>Fixed Charge Ratio</b>	<b>-1.11x</b>	<b>0.43x</b>	<b>1.08x</b>	<b>1.69x</b>	<b>0.91x</b>
Covenant Limit					
Pass / Fail	n/a	n/a	n/a	n/a	n/a
Minimum EBITDA Required	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Senior Leverage Ratio</u>					
LTM EBITDA	\$ (122,666)	\$ 46,882	\$ 188,478	\$ 281,706	\$ 156,206
<u>Total Senior Debt</u>					
Revolver	\$ -	\$ -	\$ -	\$ -	\$ -
Fiera Tranche A	3,730,500	3,730,500	3,730,500	3,730,500	3,730,500
Fiera Tranche B <sup>(2)</sup>					
Fiera Tranche D	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Equipment Financing					
Total Senior Debt	\$ 3,880,500	\$ 3,880,500	\$ 3,880,500	\$ 3,880,500	\$ 3,880,500
<b>Senior Leverage Ratio</b>	<b>-31.63x</b>	<b>82.77x</b>	<b>20.59x</b>	<b>13.78x</b>	<b>24.84x</b>
Covenant Limit					
Pass / Fail	n/a	n/a	n/a	n/a	n/a
Minimum EBITDA Required	n/a	n/a	n/a	n/a	n/a
<u>Current Ratio</u>					
Current Assets	\$ 3,484,484	\$ 4,161,571	\$ 4,375,002	\$ 4,023,245	\$ 2,971,602
Current Liabilities	1,975,360	2,512,866	2,764,884	2,396,552	1,520,142
<b>Current Ratio</b>	<b>1.76x</b>	<b>1.66x</b>	<b>1.58x</b>	<b>1.68x</b>	<b>1.95x</b>
Covenant Limit					
Pass / Fail	n/a	n/a	n/a	n/a	n/a

Notes:

(1) Payments for Facility B are excluded from the calculation prior to March 31, 2025

(2) Facility B balance excluded until March 31, 2025

# Weekly Cash Flow Statement



Week Ending	Week 1 20-Aug-21	Week 2 27-Aug-21	Week 3 3-Sep-21	Week 4 10-Sep-21	Week 5 17-Sep-21	Week 6 24-Sep-21	Week 7 1-Oct-21	Week 8 8-Oct-21	Week 9 15-Oct-21	Week 10 22-Oct-21	Week 11 29-Oct-21	Week 12 5-Nov-21	Week 13 12-Nov-21	Total
Opening Cash Balance	183,446	183,446	150,933	144,643	93,178	344,287	301,033	815,629	650,060	794,845	751,742	944,402	761,128	183,446
MD of Bonnyville	-	-	-	-	703,090	-	747,974	-	669,672	-	721,185	-	721,185	3,563,107
Other Customer Receipts	-	-	5,805	2,848	-	2,806	3,728	-	1,454	-	-	-	-	16,639
Reclamation Trust Reimbursement	-	-	13,500	-	-	-	-	4,500	-	-	-	4,500	-	22,500
Rental Income	-	-	13,000	-	-	1,500	13,000	-	-	-	-	13,000	-	40,500
Canadian Emergency Rent Subsidy	-	-	70,950	-	-	-	17,000	-	-	-	-	17,000	-	104,950
Canadian Emergency Wage Subsidy	-	-	-	-	-	-	106,040	-	-	-	-	19,040	-	125,080
<b>Total Receipts</b>	-	-	103,255	2,848	703,090	4,306	887,742	4,500	671,126	-	721,185	53,540	721,185	3,872,776
<b>Disbursements</b>														
Accounts Payable	-	-	(61,474)	(15,585)	(445,953)	(11,047)	(313,076)	-	(122,442)	-	(117,713)	-	-	(1,087,290)
Fiera	-	-	-	-	(892)	-	-	-	(66,683)	-	-	-	-	(67,575)
ATB	-	-	-	(701)	-	-	-	-	(701)	-	-	-	(701)	(2,104)
Vehicle Lease	-	-	-	(894)	-	-	-	(894)	-	-	-	-	(894)	(2,683)
Other Lease	-	-	-	(389)	-	-	-	(389)	-	-	-	-	(389)	(1,168)
Insurance	-	-	(4,840)	-	-	-	(4,840)	-	-	-	-	(4,840)	-	(14,521)
Payroll	-	(31,448)	-	(31,448)	-	(31,503)	-	(31,503)	-	(31,503)	-	(31,503)	-	(188,908)
Source Deductions	-	-	-	-	-	-	-	-	(108,153)	-	-	-	-	(108,153)
Group Benefits	-	-	(2,958)	-	-	-	(2,958)	-	-	-	(2,958)	-	-	(8,873)
Professional fees	-	-	-	-	-	-	(12,000)	-	-	(355)	(355)	(70,730)	(730)	(84,170)
Occupancy Expense	-	(65)	(32,366)	-	(575)	-	(32,366)	-	(575)	-	-	(32,366)	-	(98,314)
Provision for GST Paid	-	-	-	-	-	-	-	-	-	-	-	(20,099)	-	(20,099)
Load & Scale	-	-	-	-	-	-	-	-	-	-	-	-	(9,921)	(9,921)
Trucking	-	-	-	-	-	-	-	-	(223,224)	-	(240,395)	-	(240,395)	(704,014)
Crushing	-	-	-	-	-	-	-	-	-	-	(161,912)	(70,000)	(174,367)	(406,278)
Royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WCB Expense	-	-	-	-	-	-	-	-	-	(6,236)	-	-	-	(6,236)
Advertising & Promotions	-	-	(2,214)	(714)	(714)	(714)	(2,214)	(714)	(714)	(714)	(714)	(2,214)	(714)	(12,357)
Business Memberships	-	-	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(344)
Meals & Entertainment	-	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(11,000)
Office Expense	-	-	(585)	(395)	(395)	(395)	(585)	(395)	(395)	(395)	(525)	(455)	(395)	(4,910)
Information Technology	-	-	(729)	(808)	(75)	(75)	(729)	(808)	(75)	(75)	(75)	(729)	(808)	(4,987)
Internet & Web Hosting	-	-	-	-	-	(411)	-	-	-	(411)	-	-	-	(822)
Communications	-	-	(1,000)	-	-	(37)	(1,000)	-	-	(37)	(500)	(500)	-	(3,073)
Management - Travel & Accommodations	-	-	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(3,300)
Management Vehicle - Fuel	-	-	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(6,875)
Management Vehicle - R&M	-	-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(550)
Provision for other	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
Professional Development	-	-	(372)	(372)	(372)	(372)	(372)	(372)	(372)	(372)	(372)	(372)	(372)	(4,089)
Havener Reclamation Security	-	-	-	-	-	-	-	(131,988)	-	-	-	-	-	(131,988)
<b>Total Disbursements</b>	-	(32,513)	(109,545)	(54,312)	(451,981)	(47,560)	(373,148)	(170,069)	(526,340)	(43,104)	(528,524)	(236,815)	(432,692)	(3,008,801)
<b>Total Net Cash Flow</b>	-	(32,513)	(6,290)	(51,464)	251,109	(43,254)	514,595	(165,569)	144,785	(43,104)	192,661	(183,275)	288,493	866,175
Ending Cash Balance	183,446	150,933	144,643	93,178	344,287	301,033	815,629	650,060	794,845	751,742	944,402	761,128	1,049,621	1,049,621

THIS IS EXHIBIT “D” TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

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A Commissioner for Oath in and for the  
Province of Alberta



# EQUIPMENT ACQUISITION ANALYSIS

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Flasha Deal Analysis & Assumptions



**MANTLE**

MATERIALS GROUP



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## DEAL ASSUMPTIONS & ANALYSIS (1/2)

### Deal Assumptions

Financing				Note
Flasha Equipment Purchase	1,700,000	Financing Assumption	1,700,000	1)
Flasha Equipment FMV	2,900,000	Loan To Value	100%	
Term	36 Months	Rate	12.9%	
Amortization	60 Months	Monthly Payment	38,594	

### Sales & COGS

		With Equip.	Without Equip.	Variance	
2022 Volume Produced (Tonnes)		250,000	250,000	-	2)
2022 Volume Stripping & Clearing (Tonnes)		100,000	100,000	-	
2022 Volume Sold (Tonnes)		338,000	338,000	-	
2022 Volume Subcontract Crushing		250,000	-	250,000	3)
Average Sales Price - Aggregate Sales	\$ 27.00				
Average Aggregate Sales Gross Margin	17.5%				
Avg Crushing Sales Price	\$ 5.44				
Avg Crushing Cost					4)
Wages	\$ 1.30	27%			
R&M	\$ 0.90	19%			
Consumables	\$ 0.01	0%			
Other	\$ 0.08	2%			
Fuel	\$ 0.64	13%			
Depreciation	\$ 1.85	39%			
	\$ 4.78				
Gross Margin	46%	Excluding Depreciation			
Gross Margin	12%	Including Depreciation			
Contributed profit per tonne	\$ 2.51	Excluding Depreciation			
Contributed profit per tonne	\$ 0.66	Including Depreciation			

### Discounted Cash Flow

Discount Rate	12.90%	Residual Value				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Crushing Volume		500,000	500,000	500,000	500,000	500,000
Upfront Cash Costs (R&M & Mobilization)	(200,000)					
Internal Crushing Profit (less depreciation)	-	1,255,000	1,255,000	1,255,000	1,255,000	
Less Repayment	(77,188)	(463,128)	(463,128)	(1,196,355)		
Cash Flow	(277,188)	791,872	791,872	58,645	1,255,000	580,000
NPV	2,174,475					

### Notes

- 1 - Purchase price is an estimate only and is not confirmed by Trustee
- 2 - Assumes Flasha crusher is used to service Mantle's existing book of work for 2022
- 3 - External volume crushed for other customers
- 4 - Estimated crushing cost is derived using competitor data

**DEAL ASSUMPTIONS & ANALYSIS (2/2)**

<b>Accretion Analysis</b>															
	<b>Jan-22</b>	<b>Feb-22</b>	<b>Mar-22</b>	<b>Apr-22</b>	<b>May-22</b>	<b>Jun-22</b>	<b>Jul-22</b>	<b>Aug-22</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Total</b>		
<b>EBITDA</b>															
With Equipment	( 87,857 )	104,189	113,898	98,513	320,851	354,108	365,683	354,098	229,875	( 69,158 )	( 69,163 )	( 69,168 )	1,645,873		
Without Equipment	( 140,149 )	( 10,852 )	( 1,143 )	( 16,529 )	145,068	183,094	194,669	183,084	92,495	( 121,449 )	( 121,454 )	( 121,459 )	265,373		
Variance	52,292	115,042	115,042	115,042	175,784	171,015	171,015	171,015	137,381	52,292	52,292	52,292	1,380,500		
<b>Accretion/Dilution</b>	-37%	-1060%	-10062%	-696%	121%	93%	88%	93%	149%	-43%	-43%	-43%	520%		
<b>Cash Flow</b>															
With Equipment	611,653	278,143	419,094	510,799	663,274	494,810	793,400	1,242,436	1,567,577	1,674,093	1,851,607	1,494,464			
Without Equipment	717,583	444,867	573,330	660,775	734,091	428,487	604,095	915,991	1,137,627	1,239,882	1,398,980	1,023,421			
Variance	( 105,930 )	( 166,724 )	( 154,236 )	( 149,975 )	( 70,817 )	66,322	189,306	326,445	429,950	434,211	452,627	471,043			
<b>Accretion/Dilution</b>	-15%	-37%	-27%	-23%	-10%	15%	31%	36%	38%	35%	32%	46%			
<b>Senior Leverage Ratio</b>															
With Equipment	-30.17x	-69.84x	155.55x	40.78x	9.54x	5.12x	3.69x	3.23x	3.08x	3.37x	3.26x	3.11x			
Without Equipment	-107.24x	-82.50x	-80.54x	-59.97x	19.88x	7.58x	5.23x	5.00x	5.45x	8.15x	14.80x	14.06x			
Variance	77.07	12.66	236.09	100.75	( 10.34 )	( 2.46 )	( 1.53 )	( 1.77 )	( 2.38 )	( 4.78 )	( 11.54 )	( 10.94 )			
<b>Accretion/Dilution</b>	-72%	-15%	-293%	-168%	-52%	-33%	-29%	-35%	-44%	-59%	-78%	-78%			
<b>Fixed Coverage Ratio</b>															
With Equipment	-0.52x	-0.20x	0.08x	0.26x	1.01x	1.77x	2.31x	2.50x	2.47x	1.72x	1.77x	1.85x			
Without Equipment	-0.15x	-0.20x	-0.20x	-0.21x	0.67x	1.78x	2.61x	2.78x	2.54x	1.07x	0.59x	0.62x			
Variance	( 0.37 )	( 0.00 )	0.29	0.47	0.34	( 0.01 )	( 0.30 )	( 0.28 )	( 0.08 )	0.65	1.18	1.23			
<b>Accretion/Dilution</b>	247%	2%	-142%	-219%	51%	0%	-12%	-10%	-3%	61%	201%	197%			
<b>Net Working Capital (Less CPLTD)</b>															
With Equipment	487,787	519,540	563,238	589,320	838,487	1,120,168	1,414,169	1,695,841	1,853,987	1,563,727	1,423,927	1,284,837			
Without Equipment	750,278	705,583	672,833	622,467	734,445	883,705	1,045,285	1,194,537	1,253,896	949,938	796,440	643,653			
Variance	( 262,490 )	( 186,043 )	( 109,595 )	( 33,147 )	104,042	236,463	368,884	501,304	600,091	613,789	627,486	641,184			
<b>Accretion/Dilution</b>	-35%	-26%	-16%	-5%	14%	27%	35%	42%	48%	65%	79%	100%			
<b>Equipment Fair Market Value Accretion</b>															
Purchase Price	1,700,000														
FMV	2,900,000														
Variance	( 1,200,000.00 )														
<b>Accretion/Dilution</b>	71%														
<b>Covenant Limits</b>															
Senior Leverage Limit (Max)							10.00x					6.00x			4.00x
Fixed Charge Coverage Limit (Min)							0.50x					0.75x			1.25x
Current Ratio Limit (Min)							1.00x					1.00x			1.00x

**Summary & Sensitivity**
**2022 EBITDA SENSITIVITY**

		2022 External Crushing Volume		
		-	250,000	500,000
Crushing		-	250,000	500,000
Gross Margin	10%	997,041	1,606,765	2,216,489
	15%	1,047,060	1,698,466	2,349,872
	20%	1,097,078	1,790,166	2,483,254

**2022 NET WORKING CAPITAL SENSITIVITY**

		2022 External Crushing Volume		
		-	250,000	500,000
Crushing		-	250,000	500,000
Gross Margin	10%	1,015,773	1,456,302	1,896,831
	15%	1,065,792	1,545,785	2,025,779
	20%	1,115,810	1,635,269	2,154,728

Note

The above crushing volumes are in addition to the 250,000 tonnes that would be crushed internally in 2022.

**PROFORMA FINANCIALS WITH EQUIPMENT**

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
<b>Income Statement</b>													
Volume Produced (Tonnes)	25,000	25,000	-	-	48,400	46,200	48,400	46,200	10,800	-	-	-	250,000
Volume Stripping & Clearing (Tonnes)	-	-	-	-	100,000	-	-	-	-	-	-	-	100,000
Volume Sold (Tonnes)	2,500	27,500	32,500	27,500	51,700	49,800	52,800	49,800	36,400	2,500	2,500	2,500	338,000
Volume Subcontract Crushing	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	250,000
Revenue	162,135	837,135	886,885	837,135	1,490,535	1,439,235	1,469,085	1,439,235	1,077,435	162,135	162,135	162,135	10,125,220
Cost of Sales	151,084	643,249	660,076	628,986	1,088,984	1,003,072	1,022,743	1,003,124	743,443	120,447	120,473	120,499	7,306,181
<b>Gross Profit</b>	<b>11,051</b>	<b>193,886</b>	<b>226,809</b>	<b>208,149</b>	<b>401,552</b>	<b>436,163</b>	<b>446,342</b>	<b>436,111</b>	<b>333,992</b>	<b>41,688</b>	<b>41,662</b>	<b>41,636</b>	<b>2,819,039</b>
<b>Gross Margin %</b>	<b>7%</b>	<b>23%</b>	<b>26%</b>	<b>25%</b>	<b>27%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>31%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>28%</b>
General & Administrative	165,535	156,345	163,955	160,700	162,036	162,037	162,038	162,039	162,040	162,041	162,042	162,043	1,942,850
Operating Income	(154,484)	37,541	62,854	47,448	239,516	274,126	284,304	274,072	171,952	(120,353)	(120,380)	(120,407)	876,189
Interest Expenses	43,166	41,678	38,505	42,134	40,482	41,445	39,802	40,743	40,389	39,081	38,784	37,198	483,407
Other Expenses	990	990	990	990	990	990	990	990	990	990	990	990	11,875
Net Income	(198,640)	(5,126)	23,359	4,325	198,044	231,691	243,512	232,340	130,574	(160,423)	(160,154)	(158,595)	380,908
<b>EBITDA</b>													
(+) Depreciation & Amortization	66,627	66,648	51,044	51,065	81,336	79,983	81,379	80,026	57,923	51,195	51,217	51,239	769,684
(+) Interest	43,166	41,678	38,505	42,134	40,482	41,445	39,802	40,743	40,389	39,081	38,784	37,198	483,407
(+) Total Other Expenses	990	990	990	990	990	990	990	990	990	990	990	990	11,875
<b>EBITDA</b>	<b>(87,857)</b>	<b>104,189</b>	<b>113,898</b>	<b>98,513</b>	<b>320,851</b>	<b>354,108</b>	<b>365,683</b>	<b>354,098</b>	<b>229,875</b>	<b>(69,158)</b>	<b>(69,163)</b>	<b>(69,168)</b>	<b>1,645,873</b>

**Balance Sheet**

<b>Assets</b>													
Cash	611,653	278,143	419,094	510,799	663,274	494,810	793,400	1,242,436	1,567,577	1,674,093	1,851,607	1,494,464	
Accounts Receivable	119,000	214,200	226,100	226,100	912,170	2,253,125	2,908,010	2,908,010	2,528,120	1,187,165	226,100	226,100	
Prepays & Deposits	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	
ATB - Inventory	769,395	754,170	738,945	723,270	708,495	693,270	678,045	662,820	647,595	632,370	617,145	601,920	
Inventory	270,300	270,300	166,600	93,350	239,648	210,014	174,078	144,444	1,830	1,830	1,830	1,830	
<b>Current Assets</b>	<b>1,834,111</b>	<b>1,580,575</b>	<b>1,614,502</b>	<b>1,617,732</b>	<b>2,587,350</b>	<b>3,714,981</b>	<b>4,617,296</b>	<b>5,021,473</b>	<b>4,808,885</b>	<b>3,559,220</b>	<b>2,760,444</b>	<b>2,388,077</b>	
Property & Equipment	2,164,451	2,114,428	2,064,384	2,014,319	1,964,233	1,914,128	1,864,002	1,813,857	1,763,692	1,713,506	1,663,301	1,613,076	
Mineral Properties	12,917,213	12,901,588	12,901,588	12,901,588	12,871,338	12,842,463	12,812,213	12,783,338	12,776,588	12,776,588	12,776,588	12,776,588	
Reclamation Security	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	
Reclamation Trust	280,711	233,925	187,140	140,355	93,570	46,785	-	-	-	-	-	-	
Severance Trust	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	
Investment	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	
Long Term Prepaid Expenses & Deposits	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	
<b>Total Assets</b>	<b>19,093,629</b>	<b>18,727,660</b>	<b>18,664,758</b>	<b>18,571,138</b>	<b>19,413,635</b>	<b>20,415,501</b>	<b>21,190,655</b>	<b>21,515,812</b>	<b>21,246,308</b>	<b>19,946,459</b>	<b>19,097,477</b>	<b>18,674,884</b>	
<b>Liabilities</b>													
Accounts Payable	513,166	243,102	248,557	240,929	976,605	1,837,781	2,461,320	2,599,049	2,243,540	1,299,361	655,610	437,557	
Current Portion of LTD	791,385	795,204	780,184	767,224	795,390	823,985	852,541	881,133	911,351	791,402	821,846	852,309	
<b>Current Liabilities</b>	<b>1,304,551</b>	<b>1,038,306</b>	<b>1,028,740</b>	<b>1,008,153</b>	<b>1,771,995</b>	<b>2,661,765</b>	<b>3,313,860</b>	<b>3,480,182</b>	<b>3,154,891</b>	<b>2,090,763</b>	<b>1,477,456</b>	<b>1,289,866</b>	
Accrued Reclamation Obligation	1,140,993	1,094,208	1,047,423	1,000,638	953,853	907,067	860,282	860,282	860,282	860,282	860,282	860,282	
Long Term Debt	4,973,063	4,930,245	4,905,330	4,879,753	4,812,144	4,744,329	4,675,656	4,607,147	4,537,357	4,467,054	4,396,529	4,325,116	
Contingent Consideration	6,970,997	6,966,001	6,961,006	6,956,010	6,951,015	6,946,019	6,941,024	6,936,028	6,931,033	6,926,037	6,921,042	6,916,046	
<b>Total Liabilities</b>	<b>14,389,603</b>	<b>14,028,760</b>	<b>13,942,499</b>	<b>13,844,554</b>	<b>14,489,007</b>	<b>15,259,181</b>	<b>15,790,823</b>	<b>15,883,640</b>	<b>15,483,563</b>	<b>14,344,137</b>	<b>13,655,309</b>	<b>13,391,311</b>	
<b>Shareholder's Equity</b>													
Equity Capital	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	
Retained Earnings	(53,774,196)	(53,779,322)	(53,755,963)	(53,751,639)	(53,553,594)	(53,321,903)	(53,078,390)	(52,846,051)	(52,715,477)	(52,875,900)	(53,036,054)	(53,194,649)	
<b>Shareholder's Equity</b>	<b>4,704,026</b>	<b>4,698,900</b>	<b>4,722,259</b>	<b>4,726,584</b>	<b>4,924,628</b>	<b>5,156,319</b>	<b>5,399,832</b>	<b>5,632,172</b>	<b>5,762,745</b>	<b>5,602,322</b>	<b>5,442,168</b>	<b>5,283,574</b>	
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>19,093,629</b>	<b>18,727,660</b>	<b>18,664,758</b>	<b>18,571,138</b>	<b>19,413,635</b>	<b>20,415,501</b>	<b>21,190,655</b>	<b>21,515,812</b>	<b>21,246,308</b>	<b>19,946,459</b>	<b>19,097,477</b>	<b>18,674,884</b>	

**Ratios**

TTM Adjusted EBITDA	(182,893)	(78,704)	35,194	133,707	569,442	1,056,951	1,458,438	1,663,390	1,735,993	1,534,470	1,580,310	1,645,873	
Senior Leverage	-30.17x	-69.84x	155.55x	40.78x	9.54x	5.12x	3.69x	3.23x	3.08x	3.37x	3.26x	3.11x	
Fixed Charge Coverage	-0.52x	-0.20x	0.08x	0.26x	1.01x	1.77x	2.31x	2.50x	2.47x	1.72x	1.77x	1.85x	
Current Ratio	1.41x	1.52x	1.57x	1.60x	1.46x	1.40x	1.39x	1.44x	1.52x	1.70x	1.87x	1.85x	
Net Working Capital (Less CPLTD)	487,787	519,540	563,238	589,320	838,487	1,120,168	1,414,169	1,695,841	1,853,987	1,563,727	1,423,927	1,284,837	

**PROFORMA FINANCIALS WITHOUT EQUIPMENT**

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
<b>Income Statement</b>													
Volume Produced (Tonnes)	25,000	25,000	-	-	48,400	46,200	48,400	46,200	10,800	-	-	-	250,000
Volume Stripping & Clearing (Tonnes)	-	-	-	-	100,000	-	-	-	-	-	-	-	100,000
Volume Sold (Tonnes)	2,500	27,500	32,500	27,500	51,700	49,800	52,800	49,800	36,400	2,500	2,500	2,500	338,000
Volume Subcontract Crushing	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue	48,802	723,802	773,552	723,802	1,377,202	1,325,902	1,355,752	1,325,902	964,102	48,802	48,802	48,802	8,765,220
Cost of Sales	61,709	616,624	633,451	602,361	1,123,101	1,032,420	1,052,091	1,032,472	739,157	31,072	31,098	31,124	6,986,681
<b>Gross Profit</b>	<b>(12,907)</b>	<b>107,177</b>	<b>140,101</b>	<b>121,440</b>	<b>254,101</b>	<b>293,481</b>	<b>303,660</b>	<b>293,430</b>	<b>224,945</b>	<b>17,730</b>	<b>17,704</b>	<b>17,678</b>	<b>1,778,539</b>
<b>Gross Margin %</b>	<b>-26%</b>	<b>15%</b>	<b>18%</b>	<b>17%</b>	<b>18%</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>23%</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>	<b>20%</b>
General & Administrative	165,535	156,345	163,955	160,700	162,036	162,037	162,038	162,039	162,040	162,041	162,042	162,043	1,942,850
Operating Income	(178,443)	(49,167)	(23,854)	(39,260)	92,065	131,444	141,623	131,391	62,905	(144,311)	(144,338)	(144,365)	(164,311)
Interest Expenses	24,994	24,887	22,509	24,672	23,807	24,454	23,589	24,234	24,122	23,576	23,015	22,180	286,039
Other Expenses	990	990	990	990	990	990	990	990	990	990	990	990	11,875
Net Income	(204,426)	(75,044)	(47,353)	(64,922)	67,269	106,001	117,044	106,167	37,793	(168,876)	(168,343)	(167,535)	(462,225)
<b>EBITDA</b>													
(+) Depreciation & Amortization	38,294	38,315	22,711	22,732	53,002	51,649	53,046	51,693	29,590	22,862	22,884	22,906	429,684
(+) Interest	24,994	24,887	22,509	24,672	23,807	24,454	23,589	24,234	24,122	23,576	23,015	22,180	286,039
(+) Total Other Expenses	990	990	990	990	990	990	990	990	990	990	990	990	11,875
<b>EBITDA</b>	<b>(140,149)</b>	<b>(10,852)</b>	<b>(1,143)</b>	<b>(16,529)</b>	<b>145,068</b>	<b>183,094</b>	<b>194,669</b>	<b>183,084</b>	<b>92,495</b>	<b>(121,449)</b>	<b>(121,454)</b>	<b>(121,459)</b>	<b>265,373</b>

**Balance Sheet**

<b>Assets</b>													
Cash	717,583	444,867	573,330	660,775	734,091	428,487	604,095	915,991	1,137,627	1,239,882	1,398,980	1,023,421	
Accounts Receivable	-	-	-	-	686,070	2,027,025	2,681,910	2,681,910	2,302,020	961,065	-	-	
Prepays & Deposits	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	63,763	
ATB - Inventory	769,395	754,170	738,945	723,720	708,495	693,270	678,045	662,820	647,595	632,370	617,145	601,920	
Inventory	458,550	458,550	292,100	156,100	239,648	210,014	174,078	144,444	1,830	1,830	1,830	1,830	
<b>Current Assets</b>	<b>2,009,291</b>	<b>1,721,349</b>	<b>1,668,137</b>	<b>1,604,357</b>	<b>2,432,067</b>	<b>3,422,559</b>	<b>4,201,890</b>	<b>4,468,928</b>	<b>4,152,835</b>	<b>2,898,910</b>	<b>2,081,717</b>	<b>1,690,933</b>	
Property & Equipment	549,451	527,761	506,051	484,319	462,567	440,794	419,002	397,190	375,358	353,506	331,635	309,743	
Mineral Properties	12,917,213	12,901,588	12,901,588	12,901,588	12,871,338	12,842,463	12,812,213	12,783,338	12,776,588	12,776,588	12,776,588	12,776,588	
Reclamation Security	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	790,069	
Reclamation Trust	280,711	233,925	187,140	140,355	93,570	46,785	-	-	-	-	-	-	
Severance Trust	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	
Investment	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	860,208	
Long Term Prepaid Expenses & Deposits	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	56,866	
<b>Total Assets</b>	<b>17,653,810</b>	<b>17,281,768</b>	<b>17,160,060</b>	<b>17,027,763</b>	<b>17,756,685</b>	<b>18,649,745</b>	<b>19,330,249</b>	<b>19,546,600</b>	<b>19,201,925</b>	<b>17,926,148</b>	<b>17,087,084</b>	<b>16,674,408</b>	
<b>Liabilities</b>													
Accounts Payable	425,856	197,834	192,597	194,407	925,364	1,781,821	2,414,798	2,547,809	2,187,581	1,252,839	604,369	381,597	
Current Portion of LTD	374,845	375,259	357,351	339,344	363,379	386,845	411,152	434,908	459,504	335,121	360,218	386,124	
<b>Current Liabilities</b>	<b>800,701</b>	<b>573,092</b>	<b>549,948</b>	<b>533,752</b>	<b>1,288,743</b>	<b>2,168,666</b>	<b>2,825,950</b>	<b>2,982,717</b>	<b>2,647,084</b>	<b>1,587,960</b>	<b>964,587</b>	<b>767,721</b>	
Accrued Reclamation Obligation	1,140,993	1,094,208	1,047,423	1,000,638	953,853	907,067	860,282	860,282	860,282	860,282	860,282	860,282	
Long Term Debt	3,751,381	3,733,772	3,734,342	3,734,944	3,693,386	3,652,303	3,610,260	3,568,672	3,526,832	3,484,052	3,441,698	3,398,418	
Contingent Consideration	6,970,997	6,966,001	6,961,006	6,956,010	6,951,015	6,946,019	6,941,024	6,936,028	6,931,033	6,926,037	6,921,042	6,916,046	
<b>Total Liabilities</b>	<b>12,664,071</b>	<b>12,367,073</b>	<b>12,292,719</b>	<b>12,225,344</b>	<b>12,886,997</b>	<b>13,674,056</b>	<b>14,237,516</b>	<b>14,347,700</b>	<b>13,965,231</b>	<b>12,858,331</b>	<b>12,187,610</b>	<b>11,942,468</b>	
<b>Shareholder's Equity</b>													
Equity Capital	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	58,478,222	
Retained Earnings	(53,488,484)	(53,563,528)	(53,610,881)	(53,675,803)	(53,608,534)	(53,502,534)	(53,385,489)	(53,279,322)	(53,241,529)	(53,410,406)	(53,578,749)	(53,746,283)	
<b>Shareholder's Equity</b>	<b>4,989,738</b>	<b>4,914,694</b>	<b>4,867,341</b>	<b>4,802,419</b>	<b>4,869,688</b>	<b>4,975,689</b>	<b>5,092,733</b>	<b>5,198,900</b>	<b>5,236,693</b>	<b>5,067,817</b>	<b>4,899,474</b>	<b>4,731,939</b>	
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>17,653,810</b>	<b>17,281,768</b>	<b>17,160,060</b>	<b>17,027,763</b>	<b>17,756,685</b>	<b>18,649,745</b>	<b>19,330,249</b>	<b>19,546,600</b>	<b>19,201,925</b>	<b>17,926,148</b>	<b>17,087,084</b>	<b>16,674,408</b>	

**Ratios**

TTM Adjusted EBITDA	(36,185)	(47,037)	(48,181)	(64,709)	195,242	511,736	742,208	776,146	711,368	457,554	252,102	265,373	
Senior Leverage	-107.24x	-82.50x	-80.54x	-59.97x	19.88x	7.58x	5.23x	5.00x	5.45x	8.15x	14.80x	14.06x	
Fixed Charge Coverage	-0.15x	-0.20x	-0.20x	-0.21x	1.67x	1.78x	2.61x	2.78x	2.54x	1.07x	0.59x	0.62x	
Current Ratio	2.51x	3.00x	3.03x	3.01x	1.89x	1.58x	1.49x	1.50x	1.57x	1.83x	2.16x	2.20x	
Net Working Capital (Less CPLTD)	750,278	705,583	672,833	622,467	734,445	883,705	1,045,285	1,194,537	1,253,896	949,938	796,440	643,653	

THIS IS EXHIBIT “E” TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

---

A Commissioner for Oath in and for the  
Province of Alberta

# INTERNAL FINANCIAL REPORT

---

September 2021



**MANTLE**

MATERIALS GROUP



Prepared for Travellers Restructuring Capital



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*These financial statements are internally prepared and have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.*

**INCOME STATEMENT**

Period End 30-Sep-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<b>Revenue</b>	1,224,520	1,343,112	118,592	10%	3,365,650	2,141,130	175%	3,503,517	3,365,485	(138,032)	4%	13,800,000	10,296,483	294%
<b>Cost of Sales</b>														
<i>Direct Cost of Sales</i>	937,755	1,021,529	83,774	9%	2,860,362	1,922,607	205%	2,678,948	2,552,473	(126,475)	5%	10,998,946	8,319,999	311%
<i>Gross Margin % - Direct Cost</i>	23%	24%	1%	2%	15%	-8%	36%	24%	24%	1%	3%	20%	-3%	14%
<i>Indirect Cost of Sales</i>	18,362	52,874	34,512	188%	-	(18,362)	100%	86,139	201,113	114,974	133%	-	(86,139)	100%
<b>Total Cost of Sales</b>	956,117	1,074,403	118,286	12%	2,860,362	1,904,245	199%	2,765,086	2,753,586	(11,501)	0%	10,998,946	8,233,860	298%
<b>Gross Profit</b>	268,402	268,709	306	0%	505,288	236,885	88%	738,431	611,900	(126,531)	17%	2,801,054	2,062,623	279%
<i>Gross Margin %</i>	22%	20%	-2%	9%	15%	-7%	32%	21%	18%	-3%	14%	20%	-1%	4%
<b>General &amp; Administrative</b>	131,148	151,344	20,196	15%	160,644	29,496	22%	840,480	879,105	38,625	5%	767,952	(72,528)	9%
<b>Operating Income</b>	137,254	117,364	(19,890)	14%	344,644	207,389	151%	(102,049)	(267,206)	(165,157)	162%	2,033,102	2,135,151	2092%
<b>Other Expenses</b>														
Other Income	(7,481)	(36,040)	(28,559)	382%	(47,000)	(39,519)	528%	(55,060)	(193,990)	(138,930)	252%	(256,000)	(200,940)	365%
Interest	24,232	25,414	1,182	5%	23,713	(519)	2%	127,068	118,423	(8,645)	7%	120,127	(6,940)	5%
Fees	23,580	990	(22,590)	96%	-	(23,580)	100%	258,385	73,358	(185,027)	72%	-	(258,385)	100%
Loss(Gain) On Disposal Of Asset	-	-	-	-	-	-	-	(12,064)	-	12,064	100%	-	12,064	100%
Loss(Gain) On FV Change of Cont. Cons.	24,575	-	(24,575)	100%	29,023	4,448	18%	(1,906,314)	-	1,906,314	100%	141,639	2,047,953	107%
Tax Expense	-	-	-	-	77,949	77,949	-	-	-	-	-	466,287	466,287	-
<b>Total Other Expenses</b>	64,906	(9,636)	(74,542)	115%	83,685	18,780	29%	(1,587,985)	(2,209)	1,585,776	100%	472,053	2,060,039	130%
<b>Net Income</b>	72,349	127,001	54,652	76%	260,958	188,610	261%	1,485,936	(264,997)	(1,750,933)	118%	1,561,048	75,112	5%
<b>EBITDA</b>														
(+) Depreciation & Amortization	20,762	52,184	31,422	151%	65,577	44,815	216%	109,013	194,558	85,545	78%	180,946	71,933	66%
(+) Other Income	-	-	-	-	47,000	47,000	-	-	-	-	-	256,000	256,000	-
(+) Total Other Expenses	64,906	(9,636)	(74,542)	115%	83,685	18,780	29%	(1,587,985)	(2,209)	1,585,776	100%	472,053	2,060,039	130%
<b>Total Add Back</b>	85,668	42,548	(43,120)	50%	196,263	110,595	129%	(1,478,972)	192,349	1,671,321	113%	909,000	2,387,972	161%
<b>EBITDA</b>	158,016	169,548	11,532	7%	457,221	299,205	189%	6,964	(72,648)	(79,612)	1143%	2,470,048	2,463,084	35368%

**BALANCE SHEET**

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	1,089,156	Accounts Payable	2,153,716
Accounts Receivable	1,465,824	Accrued Liabilities	290,467
Other Receivable	58,485	Wages Payable	-
Revenue in Excess of Billings	-	Vacation Payable	32,646
Prepaid Expenses & Deposits	431,359	Tax Payable	4,709
Assets Held for Sale	-	Current Portion of LTD	4,133
Tax Receivable	-	CPLTD Under Lease Obligation	219,075
Gravel Inventory - ATB	120,835	<b>Total Current Liabilities</b>	<b>2,704,746</b>
Gravel Inventory	314,768		
Parts Inventory	20,000	<u>Long Term Liabilities</u>	
<b>Total Current Assets</b>	<b>3,500,427</b>	Accrued Reclamation Obligation	1,122,794
		Future Income Tax	-
<u>Fixed Assets</u>		Due to Related Party	-
Property, Plant & Equipment	465,899		
Accumulated Depreciation - Property, Plant & Equip.	( 146,879 )	<u>Long Term Debt</u>	
Total Property, Plant & Equipment	319,021	Fiera Tranche A	3,730,500
		Fiera Tranche D	150,000
Right of Use Asset	634,814	Fiera Debt - Finance Fees (Contra)	( 170,569 )
Accumulated Depreciation - Right of Use Asset	( 334,623 )	ATB Mortgage	98,127
Total Right of Use Asset	300,191	Other Long Term Debt	-
		Current Portion of Long Term Debt (Contra)	( 4,133 )
<b>Total Fixed Assets</b>	<b>619,212</b>	Total Long Term Debt	3,803,925
<u>Other Assets</u>		<u>Long Term Debt Under Lease Obligation</u>	
Mineral Properties	9,234,640 1	Equipment Leases	20,863
Reclamation Security	843,387	Property Leases	295,676
Reclamation Trust	561,421	Current Portion of Lease Obligation (Contra)	( 219,075 )
Severance Trust	190,000	Total Long Term Debt Under Lease Obligation	97,465
Investment	860,208		
Due From JMB Estate	-	<u>Contingent Consideration</u>	
Deferred Tax Asset	- 3	Fiera Tranche B	4,216,825
Long Term Prepaid Expenses & Deposits	-	Fiera Tranche C	-
Capitalized Financing Fee	-	ATB Inventory Facility	46,881
<b>Total Other Assets</b>	<b>11,689,656</b>	Total Contingent Consideration	4,263,706
<b>TOTAL ASSETS</b>	<b>15,809,295</b>	<b>Total Long Term Liabilities</b>	<b>9,287,890</b>
		<b>TOTAL LIABILITIES</b>	<b>11,992,636</b>
		<u>Shareholders Equity</u>	
		Share Capital	58,136,800 2
		Beginning Retained Earnings	( 55,806,077 ) 2
		Current Earnings	1,485,936
		Dividends Paid	-
		<b>Total Shareholders Equity</b>	<b>3,816,659</b>
		<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>15,809,295</b>

Notes

- 1 - Opening mineral properties value currently under assessment
- 2 - Opening shareholders equity value currently under assessment
- 3 - Opening deferred tax asset calculation under assessment

**OPERATING INCOME STATEMENT (1/3)**

Period End 30-Sep-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<b>Revenue</b>														
Aggregate Sales	1,212,932	1,330,612	117,680	10%	3,365,650	2,152,718	177%	3,470,270	3,332,485	(137,785)	4%	13,800,000	10,329,730	298%
Other Revenue	11,588	12,500	912	8%	-	(11,588)	100%	33,247	33,000	(247)	1%	-	(33,247)	100%
<b>Total Revenue</b>	<b>1,224,520</b>	<b>1,343,112</b>	<b>118,592</b>	<b>10%</b>	<b>3,365,650</b>	<b>2,141,130</b>	<b>175%</b>	<b>3,503,517</b>	<b>3,365,485</b>	<b>(138,032)</b>	<b>4%</b>	<b>13,800,000</b>	<b>(33,247)</b>	<b>1%</b>
<b>Volume Produced (Tonnes)</b>	<b>45,816</b>	<b>48,400</b>	<b>2,584</b>	<b>6%</b>	<b>-</b>	<b>(45,816)</b>	<b>100%</b>	<b>142,728</b>	<b>143,000</b>	<b>272</b>	<b>0%</b>	<b>200,000</b>	<b>57,272</b>	<b>40%</b>
<b>Volume Stripping &amp; Clearing (Tonnes)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>(300,000)</b>	<b>100%</b>
<b>Volume Sold (Tonnes)</b>	<b>45,660</b>	<b>51,300</b>	<b>5,640</b>	<b>12%</b>	<b>100,000</b>	<b>54,340</b>	<b>119%</b>	<b>133,888</b>	<b>127,826</b>	<b>(6,062)</b>	<b>5%</b>	<b>500,000</b>	<b>366,113</b>	<b>273%</b>
<b>Revenue Per Tonne</b>														
Aggregate Sales	26.56	25.94	(0.63)	2%	33.66	7	27%	25.92	26.07	0.15	1%	27.60	2	6%
<b>Cost of Sales</b>														
<b>Direct Cost of Sales:</b>														
Subcontractors - Crushing	249,239	263,296	14,057	6%	-	-	-	776,440	777,920	1,480	0%	-	-	-
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	282,388	300,000	17,612	6%	-	-	-
Total Cost of Aggregate Production	249,239	263,296	14,057	6%	-	-	-	1,058,829	1,077,920	19,091	2%	-	-	-
Net Changes in Aggregate Inventory	42,063	77,051	34,988	83%	-	-	-	(209,062)	(229,279)	(20,217)	10%	-	-	-
Total Cost of Aggregate Sold	291,302	340,347	49,044	17%	-	-	-	849,767	848,641	(1,126)	0%	-	-	-
Wages - Direct	5,383	6,193	810	15%	-	-	-	17,615	18,991	1,376	8%	-	-	-
Gravel Testing	600	-	(600)	100%	-	-	-	1,500	-	(1,500)	100%	-	-	-
Subcontractors - Trucking	402,909	425,700	22,791	6%	-	-	-	1,151,766	1,069,200	(82,566)	7%	-	-	-
Subcontractors - Load & Scale	17,836	18,920	1,084	6%	-	-	-	50,402	53,520	3,118	6%	-	-	-
Equipment Fuel	2,607	-	(2,607)	100%	-	-	-	8,081	-	(8,081)	100%	-	-	-
Road Usage Fees	17,871	17,520	(351)	2%	-	-	-	43,524	27,520	(16,004)	37%	-	-	-
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	199,247	212,850	13,603	7%	-	-	-	556,292	534,600	(21,692)	4%	-	-	-
<b>Total Direct Cost of Sales</b>	<b>937,755</b>	<b>1,021,529</b>	<b>83,774</b>	<b>9%</b>	<b>2,860,362</b>	<b>1,922,607</b>	<b>205%</b>	<b>2,678,948</b>	<b>2,552,473</b>	<b>(126,475)</b>	<b>5%</b>	<b>10,998,946</b>	<b>8,319,999</b>	<b>311%</b>
<b>Contribution Margin %</b>	<b>23%</b>	<b>23%</b>	<b>1%</b>	<b>2%</b>	<b>15%</b>	<b>-8%</b>	<b>34%</b>	<b>23%</b>	<b>23%</b>	<b>1%</b>	<b>3%</b>	<b>20%</b>	<b>-3%</b>	<b>11%</b>
<b>Direct Cost of Sales Per Tonne</b>														
Subcontractors - Crushing	5.44	5.44	-	0%	-	-	-	5.44	5.44	-	0%	-	-	-
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	0.94	1.00	0.06	6%	-	-	-
Total Cost of Aggregate Production	5.44	5.44	-	0%	-	-	-	6.38	6.44	0.06	1%	-	-	-
Net Changes in Aggregate Inventory	0.94	1.19	0.25	27%	-	-	-	(0.03)	0.20	0.23	678%	-	-	-
Total Cost of Aggregate Sold	6.38	6.63	0.25	4%	-	-	-	6.35	6.64	0.29	5%	-	-	-
Wages - Direct	0.12	0.12	0.00	2%	-	-	-	0.13	0.15	0.02	13%	-	-	-
Gravel Testing	0.01	-	(0.01)	100%	-	-	-	0.01	-	(0.01)	100%	-	-	-
Subcontractors - Trucking	8.82	8.30	(0.53)	6%	-	-	-	8.60	8.36	(0.24)	3%	-	-	-
Subcontractors - Load & Scale	0.39	0.37	(0.02)	6%	-	-	-	0.38	0.42	0.04	11%	-	-	-
Equipment Fuel	0.06	-	(0.06)	100%	-	-	-	0.06	-	(0.06)	100%	-	-	-
Road Usage Fees	0.39	0.34	(0.05)	13%	-	-	-	0.33	0.22	(0.11)	34%	-	-	-
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	4.36	4.15	(0.21)	5%	-	-	-	4.15	4.18	0.03	1%	-	-	-
Total Direct Cost Per Tonne Sold	20.54	19.91	(0.62)	3%	28.60	8.07	39%	20.01	19.97	(0.04)	0%	22.00	1.99	10%
Contributed Profit Per Tonne Sold	6.03	6.03	(0.00)	0%	5.05	(0.97)	16%	5.91	6.10	0.19	3%	5.60	(0.31)	5%

**OPERATING INCOME STATEMENT (2/3)**

Period End 30-Sep-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<i>Indirect Cost of Sales</i>														
Wages - Indirect	2,452	12,967	10,515	429%				13,230	59,121	45,891	347%			
Third Party Repair & Maintenance	10,951	500	(10,451)	95%				11,791	2,000	(9,791)	83%			
Parts Expense	-	500	500					3,752	2,037	(1,715)	46%			
Equipment Rentals	-	1,000	1,000					-	4,000	4,000				
Fuel - Pickup Trucks & Shop Equipment	268	500	232	87%				1,227	2,000	773	63%			
Third Party Shop Services	139	500	361	260%				839	3,161	2,322	277%			
Shop Personnel Lodging & Meals	-	500	500					-	2,000	2,000				
Shop Supplies	62	300	238	385%				359	1,294	935	261%			
Small Tools	-	300	300					8	1,200	1,192	14919%			
Freight Expense	-	500	500					18,321	11,500	(6,821)	37%			
Safety Supplies	210	400	190	91%				3,335	3,831	496	15%			
Licensing & Registration	-	23	23					230	93	(137)	59%			
Droning	-	-	-					6,440	-	(6,440)	100%			
Depreciation - Equipment	4,281	4,634	353	8%				26,607	19,500	(7,107)	27%			
Amortization - Pit Development	-	30,250	30,250					-	89,375	89,375				
Amortization - ARO	-	-	-					-	-	-				
<b>Total Indirect Cost of Sales</b>	<b>18,362</b>	<b>52,874</b>	<b>34,512</b>	<b>188%</b>				<b>86,139</b>	<b>201,113</b>	<b>114,974</b>	<b>133%</b>			
<b>Total Cost of Sales</b>	<b>956,117</b>	<b>1,074,403</b>	<b>118,286</b>	<b>12%</b>	<b>2,860,362</b>	<b>1,904,245</b>	<b>199%</b>	<b>2,765,086</b>	<b>2,753,586</b>	<b>(11,501)</b>	<b>0%</b>	<b>10,998,946</b>	<b>8,319,999</b>	<b>301%</b>
<b>Gross Profit</b>	<b>268,402</b>	<b>268,709</b>	<b>306</b>	<b>0%</b>	<b>505,288</b>	<b>236,885</b>	<b>88%</b>	<b>738,431</b>	<b>611,900</b>	<b>(126,531)</b>	<b>17%</b>	<b>2,801,054</b>	<b>2,062,623</b>	<b>279%</b>
<b>Gross Margin %</b>	<b>22%</b>	<b>20%</b>	<b>-2%</b>	<b>9%</b>	<b>15%</b>	<b>-7%</b>	<b>32%</b>	<b>21%</b>	<b>18%</b>	<b>-3%</b>	<b>14%</b>	<b>20%</b>	<b>-1%</b>	<b>4%</b>
<i>Indirect Cost of Sales Per Tonne</i>														
Wages - Indirect	0.05	0.25	0.20	371%				0.10	0.46	0.36	368%			
Third Party Repair & Maintenance	0.24	0.01	(0.23)	96%				0.09	0.02	(0.07)	82%			
Parts Expense	-	0.01	0.01					0.03	0.02	(0.01)	43%			
Equipment Rentals	-	0.02	0.02					-	0.03	0.03				
Fuel - Pickup Trucks & Shop Equipment	0.01	0.01	0.00	66%				0.01	0.02	0.01	71%			
Third Party Shop Services	0.00	0.01	0.01	220%				0.01	0.02	0.02	295%			
Shop Personnel Lodging & Meals	-	0.01	0.01					-	0.02	0.02				
Shop Supplies	0.00	0.01	0.00	331%				0.00	0.01	0.01	278%			
Small Tools	-	0.01	0.01					0.00	0.01	0.01	15631%			
Freight Expense	-	0.01	0.01					0.14	0.09	(0.05)	34%			
Safety Supplies	0.00	0.01	0.00	70%				0.02	0.03	0.01	20%			
Licensing & Registration	-	0.00	0.00					0.00	0.00	(0.00)	57%			
Droning	-	-	-					0.05	-	(0.05)	100%			
Depreciation - Equipment	0.09	0.09	(0.00)	4%				0.20	0.15	(0.05)	23%			
Amortization - Pit Development	-	0.59	0.59					-	0.70	0.70				
Amortization - ARO	-	-	-					-	-	-				
<b>Total Indirect Cost per Tonne Sold</b>	<b>0.40</b>	<b>1.03</b>	<b>0.63</b>	<b>156%</b>				<b>0.64</b>	<b>1.57</b>	<b>0.93</b>	<b>145%</b>			
<b>Total Cost per Tonne Sold</b>	<b>20.94</b>	<b>20.94</b>	<b>0.00</b>	<b>0%</b>	<b>28.60</b>	<b>7.66</b>	<b>37%</b>	<b>20.65</b>	<b>21.54</b>	<b>0.89</b>	<b>4%</b>	<b>22.00</b>	<b>1.35</b>	<b>7%</b>
<b>Contributed Profit Per Tonne Sold</b>	<b>5.62</b>	<b>4.99</b>	<b>(0.63)</b>	<b>11%</b>	<b>5.05</b>	<b>(0.57)</b>	<b>10%</b>	<b>5.27</b>	<b>4.53</b>	<b>(0.74)</b>	<b>14%</b>	<b>5.60</b>	<b>0.34</b>	<b>6%</b>

**OPERATING INCOME STATEMENT (3/3)**

Period End 30-Sep-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<i>General &amp; Administrative</i>														
Management Wages	73,055	87,039	13,983	19%				440,973	439,910	(1,064)	0%			
Bonus Expense	-	-	-					75,000	75,000	-	0%			
Group Benefit Plan	2,649	1,894	(755)	28%				10,900	8,428	(2,473)	23%			
WCB PIR Refund	-	-	-					(186)	(186)	-	0%			
Insurance	3,549	3,770	221	6%				18,518	18,852	335	2%			
Accounting Fees	10,000	-	(10,000)	100%				10,000	12,000	2,000	20%			
Legal Fees	-	1,500	1,500					2,500	6,000	3,500	140%			
Other Professional Services	-	1,420	1,420					27,911	33,313	5,402	19%			
Utilities	63	6,585	6,522	10321%				11,209	29,672	18,463	165%			
Property Rent	5,951	6,468	517	9%				29,840	31,910	2,070	7%			
Property Taxes	5,046	4,728	(319)	6%				26,455	22,956	(3,499)	13%			
Depreciation - Capitalized Property Lease	16,481	17,300	819	5%				82,406	85,683	3,277	4%			
Advertising & Promotions	1,799	2,857	1,058	59%				13,572	11,429	(2,143)	16%			
Business Subscriptions	-	125	125					-	500	500				
Dues & Licenses	575	339	(236)	41%				1,201	1,356	155	13%			
Office Supplies	227	150	(77)	34%				1,953	1,243	(710)	36%			
Office Services	772	690	(82)	11%				8,382	7,310	(1,072)	13%			
Small Office Assets	-	150	150					994	1,254	260	26%			
Bank Service Fees	540	30	(510)	94%				1,544	258	(1,286)	83%			
Software Subscriptions	1,598	2,297	698	44%				13,834	13,267	(568)	4%			
IT Services	45	300	255	567%				1,305	1,448	143	11%			
Internet & Web Hosting	478	63	(416)	87%				2,702	1,039	(1,664)	62%			
Communications	1,184	1,053	(131)	11%				7,675	5,788	(1,887)	25%			
Management - Travel & Accommodations	-	1,500	1,500					2,451	6,000	3,549	145%			
Management - Vehicle Fuel	3,186	2,500	(686)	22%				11,853	10,785	(1,068)	9%			
Management - Vehicle R&M	248	200	(48)	20%				262	800	538	205%			
Management - Vehicle Allowances	3,279	2,900	(379)	12%				19,497	15,744	(3,753)	19%			
Meals & Entertainment	421	4,000	3,579	851%				1,905	16,000	14,095	740%			
Professional Development	-	1,287	1,287					809	5,882	5,073	627%			
Recruitment Expense	-	-	-					14,806	14,666	(140)	1%			
Gifts	-	200	200					208	800	592	285%			
<b>Total General &amp; Administrative</b>	131,148	151,344	20,196	15%	160,644	29,496	22%	840,480	879,105	38,625	5%	767,952	(72,528)	9%
<i>% of Revenue</i>	11%	11%	1%	5%				24%	26%	2%	9%			
<b>Operating Income</b>	137,254	117,364	(19,890)	14%	344,644	207,389	151%	(102,049)	(267,206)	(165,157)	162%	2,033,102	2,135,151	2092%
<b>Other Expenses</b>														
Other Income	(7,481)	(36,040)	(28,559)	382%	(47,000)	(39,519)	528%	(55,060)	(193,990)	(138,930)	252%	(256,000)	(200,940)	365%
Interest	24,232	25,414	1,182	5%	23,713	(519)	2%	127,068	118,423	(8,645)	7%	120,127	(6,940)	5%
Fees	23,580	990	(22,590)	96%		(23,580)	100%	258,385	73,358	(185,027)	72%		(258,385)	100%
Loss(Gain) On Disposal Of Asset	-	-	-			-		(12,064)	-	12,064	100%		12,064	100%
Loss(Gain) On FV Change of Cont. Cons.	24,575	-	(24,575)	100%	29,023	4,448	18%	(1,906,314)	-	1,906,314	100%	141,639	2,047,953	107%
Tax Expense	-	-	-		77,949	77,949		-	-	-		466,287	466,287	
<b>Total Other Expenses</b>	64,906	(9,636)	(74,542)	115%	83,685	18,780	29%	(1,587,985)	(2,209)	1,585,776	100%	472,053	2,060,039	130%
<b>Net Income</b>	72,349	127,001	54,652	76%	260,958	188,610	261%	1,485,936	(264,997)	(1,750,933)	118%	1,561,048	75,112	5%
<b>EBITDA</b>														
(+) Depreciation & Amortization	20,762	52,184	31,422	151%	65,577	44,815	216%	109,013	194,558	85,545	78%	180,946	71,933	66%
(+) Other Income	-	-	-		47,000	47,000		-	-	-		256,000	256,000	
(+) Total Other Expenses	64,906	(9,636)	(74,542)	115%	83,685	18,780	29%	(1,587,985)	(2,209)	1,585,776	100%	472,053	2,060,039	130%
<b>Total Add Back</b>	85,668	42,548	(43,120)	50%	196,263	110,595	129%	(1,478,972)	192,349	1,671,321	113%	909,000	2,387,972	161%
<b>EBITDA</b>	158,016	169,548	11,532	7%	457,221	299,205	189%	6,964	(72,648)	(79,612)	1143%	2,470,048	2,463,084	35368%

## STATEMENT OF CASH FLOWS

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-To-Date</u>	
<b>Beginning Cash Balance</b>	<b>233,048</b>	<b>-</b>
<i>Cash from operating activities:</i>		
Net Income	72,349	1,485,936
Depreciation	20,762	481,502
Change in Accounts Receivable	172,553	( 1,524,309 )
Change in Accounts Payable	618,144	2,476,829
Change in Gravel Inventory	33,307	( 435,603 )
Change in Parts Inventory	-	( 20,000 )
Change in Tax Payable	( 64,633 )	4,709
Change in Other Current Assets	614	( 903,372 )
	<b>853,096</b>	<b>1,565,692</b>
<i>Cash from investing activities:</i>		
Change in PP&E	-	( 1,100,713 )
Change In Investment	-	( 860,208 )
Change in Other Long Term Assets	( 5,476 )	( 9,234,640 )
	<b>( 5,476 )</b>	<b>( 11,195,562 )</b>
<i>Cash from financing activities:</i>		
Change In Revolver	-	-
Change in Long Term Debt	2,105	4,027,133
Change in Lease Obligation	( 18,192 )	97,465
Change in Contingent Consideration	24,575	4,263,706
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	-
Change in Equity	-	2,330,722
Change in Dividends	-	-
	<b>8,488</b>	<b>10,719,026</b>
<b>Ending Cash Balance</b>	<b>1,089,156</b>	<b>1,089,156</b>

**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (1/3)**
**Period End 30-Sep-21**

<i>Revenue</i>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	LTM
Aggregate Sales	-	-	-	-	-	-	-	-	17,861	678,712	1,560,765	1,212,932	3,470,270
Other Revenue	-	-	-	-	-	-	-	-	8,000	2,900	10,759	11,588	33,247
<b>Total Revenue</b>	-	-	-	-	-	-	-	-	<b>25,861</b>	<b>681,612</b>	<b>1,571,525</b>	<b>1,224,520</b>	<b>3,503,517</b>
<b>Volume Produced (Tonnes)</b>	-	-	-	-	-	-	-	-	-	<b>52,968</b>	<b>43,944</b>	<b>45,816</b>	<b>142,728</b>
<b>Volume Stripping &amp; Clearing (Tonnes)</b>	-	-	-	-	-	-	-	-	-	<b>300,000</b>	-	-	<b>300,000</b>
<b>Volume Sold (Tonnes)</b>	-	-	-	-	-	-	-	-	<b>1,026</b>	<b>25,410</b>	<b>61,791</b>	<b>45,660</b>	<b>133,888</b>
<i>Revenue Per Tonne</i>													
Aggregate Sales	-	-	-	-	-	-	-	-	17.41	26.71	25.26	26.56	95.94
<b>Cost of Sales</b>													
<i>Direct Cost of Sales:</i>													
Subcontractors - Crushing	-	-	-	-	-	-	-	-	-	288,146	239,055	249,239	776,440
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	-	-	282,388	-	-	282,388
Total Cost of Aggregate Production	-	-	-	-	-	-	-	-	-	570,534	239,055	249,239	1,058,829
Net Changes in Aggregate Inventory	-	-	-	-	-	-	-	-	198	(410,281)	158,957	42,063	(209,062)
Total Cost of Aggregate Sold	-	-	-	-	-	-	-	-	198	160,254	398,013	291,302	849,767
Wages - Direct	-	-	-	-	-	-	-	-	-	4,352	7,880	5,383	17,615
Gravel Testing	-	-	-	-	-	-	-	-	-	900	-	600	1,500
Subcontractors - Trucking	-	-	-	-	-	-	-	-	-	227,214	521,644	402,909	1,151,766
Subcontractors - Load & Scale	-	-	-	-	-	-	-	-	-	10,021	22,545	17,836	50,402
Equipment Fuel	-	-	-	-	-	-	-	-	-	2,069	3,406	2,607	8,081
Road Usage Fees	-	-	-	-	-	-	-	-	-	2,021	23,631	17,871	43,524
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-	-	-	-	111,053	245,992	199,247	556,292
<b>Total Direct Cost of Sales</b>	-	-	-	-	-	-	-	-	<b>198</b>	<b>517,885</b>	<b>1,223,110</b>	<b>937,755</b>	<b>2,678,948</b>
<b>Contribution Margin %</b>									<b>99%</b>	<b>24%</b>	<b>22%</b>	<b>23%</b>	<b>23%</b>
<i>Variable Cost Per Tonne</i>													
Subcontractors - Crushing	-	-	-	-	-	-	-	-	-	5.44	5.44	5.44	5.44
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	-	-	0.94	-	-	0.94
Total Cost of Aggregate Production	-	-	-	-	-	-	-	-	-	6.38	5.44	5.44	6.38
Net Changes in Aggregate Inventory	-	-	-	-	-	-	-	-	0.19	(0.07)	1.00	0.94	(0.03)
Total Cost of Aggregate Sold	-	-	-	-	-	-	-	-	0.19	6.31	6.44	6.38	6.35
Wages - Direct	-	-	-	-	-	-	-	-	-	0.17	0.13	0.12	0.13
Gravel Testing	-	-	-	-	-	-	-	-	-	0.02	-	0.01	0.01
Subcontractors - Trucking	-	-	-	-	-	-	-	-	-	8.94	8.44	8.82	8.60
Subcontractors - Load & Scale	-	-	-	-	-	-	-	-	-	0.39	0.36	0.39	0.38
Equipment Fuel	-	-	-	-	-	-	-	-	-	0.08	0.06	0.06	0.06
Road Usage Fees	-	-	-	-	-	-	-	-	-	0.08	0.38	0.39	0.33
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-	-	-	-	4.37	3.98	4.36	4.15
Total Direct Cost Per Tonne Sold	-	-	-	-	-	-	-	-	0.19	20.38	19.79	20.54	20.01
Contributed Profit Per Tonne Sold	-	-	-	-	-	-	-	-	17.21	6.33	5.46	6.03	75.93



**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (2/3)**
**Period End 30-Sep-21**

	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<b>LTM</b>
<i>Indirect Cost of Sales</i>													
Wages - Indirect	-	-	-	-	-	-	-	2,965	2,777	2,942	2,094	2,452	13,230
Third Party Repair & Maintenance	-	-	-	-	-	-	-	-	-	-	840	10,951	11,791
Parts Expense	-	-	-	-	-	-	-	37	1,352	2,338	26	-	3,752
Equipment Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel - Pickup Trucks & Shop Equipment	-	-	-	-	-	-	-	-	207	495	258	268	1,227
Third Party Shop Services	-	-	-	-	-	-	-	115	195	195	195	139	839
Shop Personnel Lodging & Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Shop Supplies	-	-	-	-	-	-	-	94	-	117	86	62	359
Small Tools	-	-	-	-	-	-	-	-	8	-	-	-	8
Freight Expense	-	-	-	-	-	-	-	7,800	-	10,521	-	-	18,321
Safety Supplies	-	-	-	-	-	-	-	2,231	125	-	770	210	3,335
Licensing & Registration	-	-	-	-	-	-	-	-	146	84	-	-	230
Droning	-	-	-	-	-	-	-	-	-	6,440	-	-	6,440
Depreciation - Equipment	-	-	-	-	-	-	-	5,280	5,338	5,855	5,855	4,281	26,607
Amortization - Pit Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization - ARO	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Indirect Cost of Sales</b>	-	-	-	-	-	-	-	<b>18,522</b>	<b>10,147</b>	<b>28,985</b>	<b>10,123</b>	<b>18,362</b>	<b>86,139</b>
<b>Total Cost of Sales</b>	-	-	-	-	-	-	-	<b>18,522</b>	<b>10,345</b>	<b>546,870</b>	<b>1,233,232</b>	<b>956,117</b>	<b>2,765,086</b>
<b>Gross Profit</b>	-	-	-	-	-	-	-	<b>(18,522)</b>	<b>15,516</b>	<b>134,742</b>	<b>338,292</b>	<b>268,402</b>	<b>738,431</b>
<b>Gross Margin %</b>									60%	20%	22%	22%	21%
<i>Indirect Cost per Tonne Sold</i>													
Wages - Indirect	-	-	-	-	-	-	-	-	2.71	0.12	0.03	0.05	0.10
Third Party Repair & Maintenance	-	-	-	-	-	-	-	-	-	-	0.01	0.24	0.09
Parts Expense	-	-	-	-	-	-	-	-	1.32	0.09	0.00	-	0.03
Equipment Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel - Pickup Trucks & Shop Equipment	-	-	-	-	-	-	-	-	0.20	0.02	0.00	0.01	0.01
Third Party Shop Services	-	-	-	-	-	-	-	-	0.19	0.01	0.00	0.00	0.01
Shop Personnel Lodging & Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Shop Supplies	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00
Small Tools	-	-	-	-	-	-	-	-	0.01	-	-	-	0.00
Freight Expense	-	-	-	-	-	-	-	-	-	0.41	-	-	0.14
Safety Supplies	-	-	-	-	-	-	-	-	0.12	-	0.01	0.00	0.02
Licensing & Registration	-	-	-	-	-	-	-	-	0.14	0.00	-	-	0.00
Droning	-	-	-	-	-	-	-	-	-	0.25	-	-	0.05
Depreciation - Equipment	-	-	-	-	-	-	-	-	5.20	0.23	0.09	0.09	0.20
Amortization - Pit Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization - ARO	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Indirect Cost per Tonne Sold</b>	-	-	-	-	-	-	-	-	<b>9.89</b>	<b>1.14</b>	<b>0.16</b>	<b>0.40</b>	<b>0.64</b>
<b>Total Cost per Tonne Sold</b>	-	-	-	-	-	-	-	-	<b>9.89</b>	<b>1.14</b>	<b>0.16</b>	<b>0.40</b>	<b>0.64</b>

**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (3/3)**
**Period End 30-Sep-21**

	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<b>LTM</b>
<b><u>General &amp; Administrative</u></b>													
Management Wages	-	-	-	-	-	-	-	80,184	88,978	101,984	96,772	73,055	440,973
Bonus Expense	-	-	-	-	-	-	-	75,000	-	-	-	-	75,000
Group Benefit Plan	-	-	-	-	-	-	-	1,022	1,502	2,794	2,934	2,649	10,900
WCB PIR Refund	-	-	-	-	-	-	-	(186)	-	-	-	-	(186)
Insurance	-	-	-	-	-	-	-	3,770	3,770	3,885	3,542	3,549	18,518
Accounting Fees	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Legal Fees	-	-	-	-	-	-	-	-	-	2,500	-	-	2,500
Other Professional Services	-	-	-	-	-	-	-	27,633	-	-	278	-	27,911
Utilities	-	-	-	-	-	-	-	3,332	2,724	3,391	1,699	63	11,209
Property Rent	-	-	-	-	-	-	-	6,038	5,951	5,951	5,951	5,951	29,840
Property Taxes	-	-	-	-	-	-	-	5,368	5,368	5,841	4,832	5,046	26,455
Depreciation - Capitalized Property Lease	-	-	-	-	-	-	-	16,481	16,481	16,481	16,481	16,481	82,406
Advertising & Promotions	-	-	-	-	-	-	-	-	1,475	6,611	3,686	1,799	13,572
Business Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Licenses	-	-	-	-	-	-	-	-	-	444	182	575	1,201
Office Supplies	-	-	-	-	-	-	-	43	726	714	243	227	1,953
Office Services	-	-	-	-	-	-	-	1,950	1,920	2,511	1,229	772	8,382
Small Office Assets	-	-	-	-	-	-	-	654	140	200	-	-	994
Bank Service Fees	-	-	-	-	-	-	-	138	245	237	383	540	1,544
Software Subscriptions	-	-	-	-	-	-	-	2,404	4,084	2,846	2,902	1,598	13,834
IT Services	-	-	-	-	-	-	-	248	630	135	248	45	1,305
Internet & Web Hosting	-	-	-	-	-	-	-	789	478	478	478	478	2,702
Communications	-	-	-	-	-	-	-	1,577	671	2,690	1,553	1,184	7,675
Management - Travel & Accommodations	-	-	-	-	-	-	-	-	-	2,031	420	-	2,451
Management - Vehicle Fuel	-	-	-	-	-	-	-	785	924	3,721	3,236	3,186	11,853
Management - Vehicle R&M	-	-	-	-	-	-	-	-	-	-	14	248	262
Management - Vehicle Allowances	-	-	-	-	-	-	-	4,144	5,517	3,769	2,787	3,279	19,497
Meals & Entertainment	-	-	-	-	-	-	-	-	148	829	507	421	1,905
Professional Development	-	-	-	-	-	-	-	734	-	-	75	-	809
Recruitment Expense	-	-	-	-	-	-	-	14,666	-	140	-	-	14,806
Gifts	-	-	-	-	-	-	-	-	-	208	-	-	208
<b>Total General &amp; Administrative</b>	-	-	-	-	-	-	-	246,775	141,732	170,394	150,431	131,148	840,480
<b>% of Revenue</b>									548%	25%	10%	11%	24%
<b>Operating Income</b>	-	-	-	-	-	-	-	(265,297)	(126,216)	(35,652)	187,861	137,254	(102,049)
<b>Other Expenses</b>													
Other Income	-	-	-	-	-	-	-	-	-	-	(47,579)	(7,481)	(55,060)
Interest	-	-	-	-	-	-	-	28,119	24,446	25,774	24,497	24,232	127,068
Fees	-	-	-	-	-	-	-	156,343	41,047	14,342	23,073	23,580	258,385
Loss(Gain) On Disposal Of Asset	-	-	-	-	-	-	-	-	-	(12,064)	-	-	(12,064)
Loss(Gain) On FV Change of Cont. Cons.	-	-	-	-	-	-	-	(2,002,868)	24,541	24,187	23,251	24,575	(1,906,314)
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Expenses</b>	-	-	-	-	-	-	-	(1,818,407)	90,034	52,239	23,243	64,906	(1,587,985)
<b>Net Income</b>	-	-	-	-	-	-	-	1,553,110	(216,250)	(87,891)	164,618	72,349	1,485,936
<b>EBITDA</b>													
(+) Depreciation & Amortization	-	-	-	-	-	-	-	21,761	21,819	22,336	22,336	20,762	109,013
(+) Total Other Expenses	-	-	-	-	-	-	-	(1,818,407)	90,034	52,239	23,243	64,906	(1,587,985)
<b>Total Add Back</b>	-	-	-	-	-	-	-	(1,796,646)	111,853	74,575	45,578	85,668	(1,478,972)
<b>EBITDA</b>	-	-	-	-	-	-	-	(243,536)	(104,397)	(13,316)	210,197	158,016	6,964

**LAST TWELVE MONTHS - ADJUSTED EBITDA**
**Period End 30-Sep-21**

Account	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	LTM
<b>EBITDA</b>	-	-	-	-	-	-	-	(243,536)	(104,397)	(13,316)	210,197	158,016	<b>6,964</b>
<u>Adjustments</u>													
Business startup costs													
Management Wages													
President signing bonus								75,000					<b>75,000</b>
Interim president advisory services								27,633					<b>27,633</b>
Executive Recruitment Fees								14,666					<b>14,666</b>
Safety Signage								2,231					<b>2,231</b>
Total business startup costs	-	-	-	-	-	-	-	119,530	-	-	-	-	119,530
Auction Security Monitoring Costs								1,250					<b>1,250</b>
Office Services								1,250					<b>1,250</b>
Legal fees to sell Gagner pit										2,500			<b>2,500</b>
Legal Fees										2,500			<b>2,500</b>
Stripping normalization (\$0.31/Tonne)										7,877	19,155	14,155	<b>41,187</b>
Total Cost of Aggregate Sold										7,877	19,155	14,155	<b>41,187</b>
Purchase price normalization									12,285	5,035	5,972	(23,292)	-
Management Wages									12,285	5,035	5,972	(23,292)	-
Purchase price normalization								2,227				(2,227)	-
Utilities								2,227				(2,227)	-
Purchase price normalization								411				(411)	-
Communications								411				(411)	-
Purchase price normalization								1,398				(1,398)	-
Software								1,398				(1,398)	-
Abby Horne, EPO time allocation <sup>(1)</sup>								2,957	2,556				<b>5,513</b>
Management Wages								2,957	2,556				<b>5,513</b>
<b>Adjusted EBITDA</b>	-	-	-	-	-	-	-	<b>(115,763)</b>	<b>(89,556)</b>	<b>2,095</b>	<b>235,325</b>	<b>144,842</b>	<b>176,944</b>

**Notes**

1 - EPO time allocation costs are still being finalized.

**AGED ACCOUNTS RECEIVABLE SUMMARY**

<b>Name</b>	<b>Amount</b>	<b>Current</b>	<b>Over 30</b>	<b>Over 60</b>	<b>Over 90</b>	<b>Over 120</b>
MD of Bonnyville No.87	1,384,207	1,384,207	-	-	-	-
Lafarge Canada Inc.	48,202	18,320	25,364	4,517	-	-
North East Bulk Transportation Services Ltd.	29,500	-	29,500	-	-	-
Seven Lakes Oilfield Services Corp.	3,045	-	-	3,045	-	-
Bonnie's Equipment Services	870	870	-	-	-	-

Other						
<b>TOTAL</b>	<b>1,465,824</b>	<b>1,403,397</b>	<b>54,864</b>	<b>7,562</b>	<b>-</b>	<b>-</b>

**AGED ACCOUNTS PAYABLE SUMMARY**

Name	Amount	Current	Over 30	Over 60	Over 90	Over 120
County of St. Paul	555,109	432,667	122,442	-	-	-
945441 Alberta Ltd.	474,889	474,889	-	-	-	-
R. Batke Oilfield Ltd.	213,219	213,219	-	-	-	-
Shamrock Valley Enterprises Ltd.	177,051	177,051	-	-	-	-
Seven Lakes Oilfield Services Corp.	170,484	170,484	-	-	-	-
Matt Silver Trucking Ltd.	146,082	146,082	-	-	-	-
Receiver General - Payroll Source Deductions	111,774	111,774	-	-	-	-
955937 Alberta Ltd.	105,843	105,843	-	-	-	-
Belar Enterprises Cold Lake Inc.	58,133	58,133	-	-	-	-
ACL Trucking Ltd.	47,033	47,033	-	-	-	-
Fedoruk Transport Inc.	38,284	38,284	-	-	-	-
North East Bulk Transportation Services Ltd.	15,160	12,890	2,270	-	-	-
Allan K. MacDonald	8,549	8,549	-	-	-	-
WCB Workers Compensation Board	6,236	6,236	-	-	-	-
Aspen Land Group Inc.	6,074	6,074	-	-	-	-
ATB Financial	5,428	5,428	-	-	-	-
CPP Environmental	3,257	3,257	-	-	-	-
Shelby Engineering Ltd.	2,520	2,520	-	-	-	-
Pozniak HD Field Services Inc.	2,357	2,357	-	-	-	-
Axon Development Corporation	1,613	1,613	-	-	-	-
Elrus Aggregate Systems	1,611	1,611	-	-	-	-
Lynx Digital Marketing Inc.	1,491	1,491	-	-	-	-
Bonnie's Equipment Services	1,256	1,256	-	-	-	-
Mistol Seeds	1,082	1,082	-	-	-	-
Expenses Abby Horne	517	517	-	-	-	-
Expenses Cory Pichota	256	256	-	-	-	-
Lakeland Fire & Safety	220	220	-	-	-	-
Expenses Tyler Pell	186	186	-	-	-	-
Expenses Jason Mercier	184	184	-	-	-	-
Digital Connections (NextGen Automation)	167	167	-	-	-	-
BlackRock Cleaning Services	147	147	-	-	-	-
Direct Energy Acct 5309	128	128	-	-	-	-
Wildrose Disposal Inc.	121	121	-	-	-	-
MCS Net	105	105	-	-	-	-
MicroAge (The Computer Cache St. Paul) Ltd.	47	47	-	-	-	-
Expenses Tad Reed	27	27	-	-	-	-
Link Energy Acct 2334	(137)	1,669	(1,806)	-	-	-
Victor Insurance Managers Inc.	(2,786)	(2,786)	-	-	-	-

Other						
<b>TOTAL</b>	<b>2,153,716</b>	<b>2,030,810</b>	<b>122,906</b>	<b>-</b>	<b>-</b>	<b>-</b>

THIS IS EXHIBIT "F" TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

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A Commissioner for Oath in and for the  
Province of Alberta

# INTERNAL FINANCIAL REPORT

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October 2021



**MANTLE**

MATERIALS GROUP



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*These financial statements are internally prepared and have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.*



**INCOME STATEMENT**
**Period End 31-Oct-21**

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<b>Revenue</b>	1,315,993	1,343,112	27,119	2%	1,680,000	364,007	28%	4,819,511	4,708,597	(110,914)	2%	15,480,000	10,660,489	221%
<b>Cost of Sales</b>														
<i>Direct Cost of Sales</i>	990,808	1,023,136	32,328	3%	1,348,034	357,226	36%	3,669,756	3,575,608	(94,147)	3%	12,346,981	8,677,225	236%
<i>Gross Margin % - Direct Cost</i>	25%	24%	-1%	4%	20%	-5%	20%	24%	24%	0%	1%	20%	-4%	15%
<i>Indirect Cost of Sales</i>	57,238	52,604	(4,634)	8%	-	(57,238)	100%	143,376	253,717	110,340	77%	-	(143,376)	100%
<b>Total Cost of Sales</b>	1,048,046	1,075,740	27,694	3%	1,348,034	299,989	29%	3,813,132	3,829,325	16,193	0%	12,346,981	8,533,849	224%
<b>Gross Profit</b>	267,948	267,372	(575)	0%	331,966	64,018	24%	1,006,379	879,272	(127,107)	13%	3,133,019	2,126,641	211%
<i>Gross Margin %</i>	20%	20%	0%	2%	20%	-1%	3%	21%	19%	-2%	11%	20%	-1%	3%
<b>General &amp; Administrative</b>	162,764	177,259	14,495	9%	165,999	3,235	2%	1,003,244	1,056,364	53,120	5%	933,950	(69,293)	7%
<b>Operating Income</b>	105,184	90,114	(15,070)	14%	165,967	60,783	58%	3,135	(177,092)	(180,227)	5749%	2,199,069	2,195,934	70045%
<b>Other Expenses</b>														
Other Income	(127,579)	(36,040)	91,539	72%	-	127,579	100%	(182,639)	(230,030)	(47,391)	26%	(256,000)	(73,361)	40%
Interest	25,009	24,552	(457)	2%	24,447	(562)	2%	152,077	142,975	(9,102)	6%	144,574	(7,503)	5%
Fees	3,365	990	(2,375)	71%	-	(3,365)	100%	106,396	74,347	(32,049)	30%	-	(106,396)	100%
Loss(Gain) On Disposal Of Asset	-	-	-	-	-	-	-	(3,064)	-	3,064	100%	-	3,064	100%
Loss(Gain) On FV Change of Cont. Cons.	23,743	-	(23,743)	100%	28,246	4,504	19%	(1,882,571)	-	1,882,571	100%	169,885	2,052,457	109%
Tax Expense	-	-	-	-	26,053	26,053	-	-	-	-	-	492,340	492,340	-
<b>Total Other Expenses</b>	(75,462)	(10,498)	64,964	86%	78,746	154,209	204%	(1,809,801)	(12,707)	1,797,094	99%	550,800	2,360,601	130%
<b>Net Income</b>	180,646	100,612	(80,034)	44%	87,221	(93,426)	52%	1,812,936	(164,385)	(1,977,321)	109%	1,648,269	(164,667)	9%
<b>EBITDA</b>														
(+ Depreciation & Amortization)	46,803	51,482	4,678	10%	52,034	5,231	11%	155,816	246,040	90,223	58%	232,981	77,164	50%
(+ Other Income)	-	-	-	-	-	-	-	-	-	-	-	256,000	256,000	-
(+ Total Other Expenses)	(75,462)	(10,498)	64,964	86%	78,746	154,209	204%	(1,809,801)	(12,707)	1,797,094	99%	550,800	2,360,601	130%
<b>Total Add Back</b>	(28,659)	40,983	69,643	243%	130,781	159,440	556%	(1,653,985)	233,332	1,887,317	114%	1,039,780	2,693,765	163%
<b>EBITDA</b>	151,987	141,595	(10,392)	7%	218,001	66,014	43%	158,951	68,948	(90,004)	57%	2,688,050	2,529,098	1591%

**BALANCE SHEET**

<u>Current Assets</u>		<u>Current Liabilities</u>	
Cash	1,277,072	Accounts Payable	2,243,993
Accounts Receivable	1,157,441	Accrued Liabilities	216,274
Other Receivable	368,065	Wages Payable	38,070
Revenue in Excess of Billings	-	Vacation Payable	37,834
Prepaid Expenses & Deposits	492,208	Tax Payable	(59,506)
Assets Held for Sale	-	Current Portion of LTD	511,513
Tax Receivable	-	CPLTD Under Lease Obligation	219,458
Gravel Inventory - ATB	105,186	<b>Total Current Liabilities</b>	<b>3,207,636</b>
Gravel Inventory	281,297		
Parts Inventory	-	<u>Long Term Liabilities</u>	
<b>Total Current Assets</b>	<b>3,681,269</b>	Accrued Reclamation Obligation	1,097,214
		Future Income Tax	-
<u>Fixed Assets</u>		Due to Related Party	-
Property, Plant & Equipment	2,230,195		
Accumulated Depreciation - Property, Plant & Equip.	(176,048)	<u>Long Term Debt</u>	
Total Property, Plant & Equipment	2,054,147	Fiera Tranche A	3,730,500
		Fiera Tranche D	150,000
Right of Use Asset	634,814	Fiera Debt - Finance Fees (Contra)	(168,695)
Accumulated Depreciation - Right of Use Asset	(352,257)	ATB Mortgage	97,785
Total Right of Use Asset	282,557	Travellers	1,700,000
<b>Total Fixed Assets</b>	<b>2,336,704</b>	Travellers - Finance Fees (Contra)	(52,160)
		Other Long Term Debt	54,334
<u>Other Assets</u>		Current Portion of Long Term Debt (Contra)	(511,513)
Mineral Properties	9,240,219	Total Long Term Debt	5,000,251
Reclamation Security	843,623		
Reclamation Trust	561,421	<u>Long Term Debt Under Lease Obligation</u>	
Severance Trust	190,000	Equipment Leases	19,722
Investment	860,208	Property Leases	279,081
Due From JMB Estate	-	Current Portion of Lease Obligation (Contra)	(219,458)
Deferred Tax Asset	-	Total Long Term Debt Under Lease Obligation	79,345
Long Term Prepaid Expenses & Deposits	-		
Capitalized Financing Fee	-	<u>Contingent Consideration</u>	
<b>Total Other Assets</b>	<b>11,695,472</b>	Fiera Tranche B	4,240,341
		Fiera Tranche C	-
<b>TOTAL ASSETS</b>	<b>17,713,446</b>	ATB Inventory Facility	41,355
		Total Contingent Consideration	4,281,696
		<b>Total Long Term Liabilities</b>	<b>10,458,505</b>
		<b>TOTAL LIABILITIES</b>	<b>13,666,142</b>
		<u>Shareholders Equity</u>	
		Share Capital	58,136,800
		Beginning Retained Earnings	(55,902,431)
		Current Earnings	1,812,936
		Dividends Paid	-
		<b>Total Shareholders Equity</b>	<b>4,047,304</b>
		<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>17,713,446</b>

Notes

- 1 - Opening mineral properties value currently under assessment
- 2 - Opening shareholders equity value currently under assessment
- 3 - Opening deferred tax asset calculation under assessment

**OPERATING INCOME STATEMENT (1/3)**

Period End 31-Oct-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<b>Revenue</b>														
Aggregate Sales	1,275,167	1,330,612	55,445	4%	1,680,000	404,833	32%	4,745,437	4,663,097	(82,340)	2%	15,480,000	10,734,563	226%
Other Revenue	40,827	12,500	(28,327)	69%	-	(40,827)	100%	74,074	45,500	(28,574)	39%	-	(74,074)	100%
<b>Total Revenue</b>	<b>1,315,993</b>	<b>1,343,112</b>	<b>27,119</b>	<b>2%</b>	<b>1,680,000</b>	<b>364,007</b>	<b>28%</b>	<b>4,819,511</b>	<b>4,708,597</b>	<b>(110,914)</b>	<b>2%</b>	<b>15,480,000</b>	<b>(74,074)</b>	<b>2%</b>
<b>Volume Produced (Tonnes)</b>	<b>45,000</b>	<b>46,200</b>	<b>1,200</b>	<b>3%</b>	<b>-</b>	<b>(45,000)</b>	<b>100%</b>	<b>187,728</b>	<b>189,200</b>	<b>1,472</b>	<b>1%</b>	<b>200,000</b>	<b>12,272</b>	<b>7%</b>
<b>Volume Stripping &amp; Clearing (Tonnes)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>(300,000)</b>	<b>100%</b>
<b>Volume Delivered (Tonnes)</b>	<b>48,125</b>	<b>47,300</b>	<b>(825)</b>	<b>2%</b>	<b>-</b>	<b>(48,125)</b>	<b>100%</b>	<b>174,220</b>	<b>166,100</b>	<b>(8,120)</b>	<b>5%</b>	<b>-</b>	<b>(174,220)</b>	<b>100%</b>
<b>Volume Sold (Tonnes)</b>	<b>51,002</b>	<b>51,300</b>	<b>298</b>	<b>1%</b>	<b>60,000</b>	<b>8,998</b>	<b>18%</b>	<b>184,889</b>	<b>179,126</b>	<b>(5,763)</b>	<b>3%</b>	<b>560,000</b>	<b>375,111</b>	<b>203%</b>
<b>Revenue Per Tonne</b>														
Aggregate Sales	25.00	25.94	0.94	4%	28.00	3	12%	25.67	26.03	0.37	1%	27.64	2	8%
<b>Cost of Sales</b>														
<i>Direct Cost of Sales:</i>														
Subcontractors - Crushing	244,800	251,328	6,528	3%	-	-	-	1,021,240	1,029,248	8,008	1%	-	-	-
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	282,388	300,000	17,612	6%	-	-	-
Total Cost of Aggregate Production	244,800	251,328	6,528	3%	-	-	-	1,303,629	1,329,248	25,619	2%	-	-	-
Net Changes in Aggregate Inventory	49,120	89,019	39,898	81%	-	-	-	(159,941)	(140,260)	19,681	12%	-	-	-
Total Cost of Aggregate Sold	293,920	340,347	46,426	16%	-	-	-	1,143,687	1,188,988	45,300	4%	-	-	-
Wages - Direct	7,102	6,399	(703)	10%	-	-	-	24,718	25,391	673	3%	-	-	-
Gravel Testing	-	-	-	-	-	-	-	1,500	-	(1,500)	100%	-	-	-
Subcontractors - Trucking	456,545	425,700	(30,845)	7%	-	-	-	1,608,311	1,494,900	(113,411)	7%	-	-	-
Subcontractors - Load & Scale	19,250	18,920	(330)	2%	-	-	-	69,653	72,440	2,787	4%	-	-	-
Equipment Fuel	3,110	-	(3,110)	100%	-	-	-	11,191	-	(11,191)	100%	-	-	-
Road Usage Fees	20,401	18,920	(1,481)	7%	-	-	-	63,924	46,440	(17,484)	27%	-	-	-
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	190,480	212,850	22,370	12%	-	-	-	746,772	747,450	678	0%	-	-	-
<b>Total Direct Cost of Sales</b>	<b>990,808</b>	<b>1,023,136</b>	<b>32,328</b>	<b>3%</b>	<b>1,348,034</b>	<b>357,226</b>	<b>36%</b>	<b>3,669,756</b>	<b>3,575,608</b>	<b>(94,147)</b>	<b>3%</b>	<b>12,346,981</b>	<b>8,677,225</b>	<b>236%</b>
<b>Contribution Margin %</b>	<b>22%</b>	<b>23%</b>	<b>1%</b>	<b>4%</b>	<b>20%</b>	<b>-3%</b>	<b>11%</b>	<b>23%</b>	<b>23%</b>	<b>1%</b>	<b>3%</b>	<b>20%</b>	<b>-2%</b>	<b>11%</b>
<i>Direct Cost of Sales Per Tonne</i>														
Subcontractors - Crushing	5.44	5.44	-	0%	-	-	-	5.44	5.44	-	0%	-	-	-
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	0.94	1.00	0.06	6%	-	-	-
Total Cost of Aggregate Production	5.44	5.44	-	0%	-	-	-	6.38	6.44	0.06	1%	-	-	-
Net Changes in Aggregate Inventory	0.32	1.19	0.87	270%	-	-	-	(0.20)	0.20	0.39	201%	-	-	-
Total Cost of Aggregate Sold	5.76	6.63	0.87	15%	-	-	-	6.19	6.64	0.45	7%	-	-	-
Wages - Direct	0.14	0.12	(0.01)	10%	-	-	-	0.13	0.14	0.01	6%	-	-	-
Gravel Testing	-	-	-	-	-	-	-	0.01	-	(0.01)	100%	-	-	-
Subcontractors - Trucking	9.49	9.00	(0.49)	5%	-	-	-	9.23	9.00	(0.23)	3%	-	-	-
Subcontractors - Load & Scale	0.38	0.37	(0.01)	2%	-	-	-	0.38	0.40	0.03	7%	-	-	-
Equipment Fuel	0.06	-	(0.06)	100%	-	-	-	0.06	-	(0.06)	100%	-	-	-
Road Usage Fees	0.40	0.37	(0.03)	8%	-	-	-	0.35	0.26	(0.09)	25%	-	-	-
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	3.73	4.15	0.41	11%	-	-	-	4.04	4.17	0.13	3%	-	-	-
Total Direct Cost Per Tonne Sold	19.43	19.94	0.52	3%	22.47	3.04	16%	19.85	19.96	0.11	1%	22.05	2.20	11%
Contributed Profit Per Tonne Sold	5.58	5.99	0.42	8%	5.53	(0.04)	1%	5.82	6.07	0.25	4%	5.59	(0.22)	4%

**OPERATING INCOME STATEMENT (2/3)**

Period End 31-Oct-21

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<i>Indirect Cost of Sales</i>														
Wages - Indirect	799	13,399	12,601	1578%				14,028	72,521	58,492	417%			
Third Party Repair & Maintenance	2,495	500	(1,995)	80%				14,286	2,500	(11,786)	83%			
Parts Expense	20,205	500	(19,705)	98%				23,957	2,537	(21,420)	89%			
Equipment Rentals	-	1,000	1,000					-	5,000	5,000				
Fuel - Pickup Trucks & Shop Equipment	114	500	386	337%				1,341	2,500	1,159	86%			
Third Party Shop Services	2,735	500	(2,235)	82%				3,574	3,661	87	2%			
Shop Personnel Lodging & Meals	-	500	500					-	2,500	2,500				
Shop Supplies	219	300	81	37%				578	1,594	1,016	176%			
Small Tools	58	300	242	421%				66	1,500	1,434	2187%			
Freight Expense	-	500	500					18,321	12,000	(6,321)	35%			
Safety Supplies	-	400	400					3,335	4,231	896	27%			
Licensing & Registration	291	23	(268)	92%				521	117	(404)	78%			
Droning	-	-	-					6,440	-	(6,440)	100%			
Depreciation - Equipment	30,322	5,306	(25,016)	83%				56,930	24,806	(32,123)	56%			
Amortization - Pit Development	-	28,875	28,875					-	118,250	118,250				
Amortization - ARO	-	-	-					-	-	-				
<b>Total Indirect Cost of Sales</b>	<b>57,238</b>	<b>52,604</b>	<b>(4,634)</b>	<b>8%</b>				<b>143,376</b>	<b>253,717</b>	<b>110,340</b>	<b>77%</b>			
<b>Total Cost of Sales</b>	<b>1,048,046</b>	<b>1,075,740</b>	<b>27,694</b>	<b>3%</b>	<b>1,348,034</b>	<b>299,989</b>	<b>29%</b>	<b>3,813,132</b>	<b>3,829,325</b>	<b>16,193</b>	<b>0%</b>	<b>12,346,981</b>	<b>8,677,225</b>	<b>228%</b>
<b>Gross Profit</b>	<b>267,948</b>	<b>267,372</b>	<b>(575)</b>	<b>0%</b>	<b>331,966</b>	<b>64,018</b>	<b>24%</b>	<b>1,006,379</b>	<b>879,272</b>	<b>(127,107)</b>	<b>13%</b>	<b>3,133,019</b>	<b>2,126,641</b>	<b>211%</b>
<b>Gross Margin %</b>	<b>20%</b>	<b>20%</b>	<b>0%</b>	<b>2%</b>	<b>20%</b>	<b>-1%</b>	<b>3%</b>	<b>21%</b>	<b>19%</b>	<b>-2%</b>	<b>11%</b>	<b>20%</b>	<b>-1%</b>	<b>3%</b>
<i>Indirect Cost of Sales Per Tonne</i>														
Wages - Indirect	0.02	0.26	0.25	1568%				0.08	0.40	0.33	434%			
Third Party Repair & Maintenance	0.05	0.01	(0.04)	80%				0.08	0.01	(0.06)	82%			
Parts Expense	0.40	0.01	(0.39)	98%				0.13	0.01	(0.12)	89%			
Equipment Rentals	-	0.02	0.02					-	0.03	0.03				
Fuel - Pickup Trucks & Shop Equipment	0.00	0.01	0.01	334%				0.01	0.01	0.01	92%			
Third Party Shop Services	0.05	0.01	(0.04)	82%				0.02	0.02	0.00	6%			
Shop Personnel Lodging & Meals	-	0.01	0.01					-	0.01	0.01				
Shop Supplies	0.00	0.01	0.00	36%				0.00	0.01	0.01	185%			
Small Tools	0.00	0.01	0.00	418%				0.00	0.01	0.01	2261%			
Freight Expense	-	0.01	0.01					0.10	0.07	(0.03)	32%			
Safety Supplies	-	0.01	0.01					0.02	0.02	0.01	31%			
Licensing & Registration	0.01	0.00	(0.01)	92%				0.00	0.00	(0.00)	77%			
Droning	-	-	-					0.03	-	(0.03)	100%			
Depreciation - Equipment	0.59	0.10	(0.49)	83%				0.31	0.14	(0.17)	55%			
Amortization - Pit Development	-	0.56	0.56					-	0.66	0.66				
Amortization - ARO	-	-	-					-	-	-				
<b>Total Indirect Cost per Tonne Sold</b>	<b>1.12</b>	<b>1.03</b>	<b>(0.10)</b>	<b>9%</b>				<b>0.78</b>	<b>1.42</b>	<b>0.64</b>	<b>83%</b>			
<b>Total Cost per Tonne Sold</b>	<b>20.55</b>	<b>20.97</b>	<b>0.42</b>	<b>2%</b>	<b>22.47</b>	<b>1.92</b>	<b>9%</b>	<b>20.62</b>	<b>21.38</b>	<b>0.75</b>	<b>4%</b>	<b>22.05</b>	<b>1.42</b>	<b>7%</b>
<b>Contributed Profit Per Tonne Sold</b>	<b>4.45</b>	<b>4.97</b>	<b>0.52</b>	<b>12%</b>	<b>5.53</b>	<b>1.08</b>	<b>24%</b>	<b>5.04</b>	<b>4.65</b>	<b>(0.39)</b>	<b>8%</b>	<b>5.59</b>	<b>0.55</b>	<b>11%</b>

**OPERATING INCOME STATEMENT (3/3)**
**Period End 31-Oct-21**

	Month to Date							Year to Date						
	Actual	Revised Budget	Variance	%	Original Budget	Variance	%	Actual	Revised Budget	Variance	%	Original Budget	Variance	%
<b>General &amp; Administrative</b>														
Management Wages	103,405	88,953	( 14,453 )	14%				544,379	528,862	( 15,516 )	3%			
Bonus Expense	-	-	-					75,000	75,000	-	0%			
Group Benefit Plan	2,485	1,894	( 591 )	24%				13,386	10,322	( 3,064 )	23%			
WCB PIR Refund	-	-	-					( 186 )	( 186 )	-	0%			
Insurance	5,004	3,770	( 1,233 )	25%				23,521	22,623	( 899 )	4%			
Accounting Fees	700	24,000	23,300	3329%				10,700	36,000	25,300	236%			
Legal Fees	1,000	1,500	500	50%				3,500	7,500	4,000	114%			
Other Professional Services	-	1,420	1,420					27,911	34,733	6,822	24%			
Utilities	2,140	6,585	4,445	208%				13,349	36,257	22,908	172%			
Property Rent	5,951	6,468	517	9%				35,791	38,378	2,587	7%			
Property Taxes	4,832	4,728	( 104 )	2%				31,287	27,683	( 3,604 )	12%			
Depreciation - Capitalized Property Lease	16,481	17,300	819	5%				98,887	102,983	4,096	4%			
Advertising & Promotions	1,079	2,857	1,778	165%				14,651	14,286	( 365 )	2%			
Business Subscriptions	-	125	125					-	625	625				
Dues & Licenses	1,117	339	( 778 )	70%				2,318	1,695	( 623 )	27%			
Office Supplies	477	150	( 327 )	69%				2,430	1,393	( 1,037 )	43%			
Office Services	885	690	( 195 )	22%				9,268	8,000	( 1,268 )	14%			
Small Office Assets	-	150	150					994	1,404	410	41%			
Bank Service Fees	307	30	( 277 )	90%				1,851	288	( 1,562 )	84%			
Software Subscriptions	2,807	2,297	( 510 )	18%				16,641	15,563	( 1,078 )	6%			
IT Services	450	300	( 150 )	33%				1,755	1,748	( 8 )	0%			
Internet & Web Hosting	478	63	( 416 )	87%				3,181	1,101	( 2,080 )	65%			
Communications	1,632	1,053	( 579 )	36%				9,307	6,841	( 2,467 )	27%			
Management - Travel & Accommodations	678	1,500	822	121%				3,130	7,500	4,370	140%			
Management - Vehicle Fuel	4,758	2,500	( 2,258 )	47%				16,611	13,285	( 3,326 )	20%			
Management - Vehicle R&M	10	200	190	1902%				272	1,000	728	267%			
Management - Vehicle Allowances	4,383	2,900	( 1,483 )	34%				23,880	18,644	( 5,235 )	22%			
Meals & Entertainment	478	4,000	3,522	737%				2,383	20,000	17,617	739%			
Professional Development	1,198	1,287	89	7%				2,007	7,169	5,162	257%			
Recruitment Expense	27	-	( 27 )	100%				14,833	14,666	( 167 )	1%			
Gifts	-	200	200					208	1,000	792	381%			
<b>Total General &amp; Administrative</b>	162,764	177,259	14,495	9%	165,999	3,235	2%	1,003,244	1,056,364	53,120	5%	933,950	( 69,293 )	7%
<i>% of Revenue</i>	12%	13%	1%	7%				21%	22%	2%	8%			
<b>Operating Income</b>	105,184	90,114	( 15,070 )	14%	165,967	60,783	58%	3,135	( 177,092 )	( 180,227 )	5749%	2,199,069	2,195,934	70045%
<b>Other Expenses</b>														
Other Income	( 127,579 )	( 36,040 )	91,539	72%	-	127,579	100%	( 182,639 )	( 230,030 )	( 47,391 )	26%	( 256,000 )	( 73,361 )	40%
Interest	25,009	24,552	( 457 )	2%	24,447	( 562 )	2%	152,077	142,975	( 9,102 )	6%	144,574	( 7,503 )	5%
Fees	3,365	990	( 2,375 )	71%		( 3,365 )	100%	106,396	74,347	( 32,049 )	30%		( 106,396 )	100%
Loss(Gain) On Disposal Of Asset	-	-	-			-		( 3,064 )	-	3,064	100%		3,064	100%
Loss(Gain) On FV Change of Cont. Cons.	23,743	-	( 23,743 )	100%	28,246	4,504	19%	( 1,882,571 )	-	1,882,571	100%	169,885	2,052,457	109%
Tax Expense	-	-	-		26,053	26,053		-	-	-		492,340	492,340	
<b>Total Other Expenses</b>	( 75,462 )	( 10,498 )	64,964	86%	78,746	154,209	204%	( 1,809,801 )	( 12,707 )	1,797,094	99%	550,800	2,360,601	130%
<b>Net Income</b>	180,646	100,612	( 80,034 )	44%	87,221	( 93,426 )	52%	1,812,936	( 164,385 )	( 1,977,321 )	109%	1,648,269	( 164,667 )	9%
<b>EBITDA</b>														
(+) Depreciation & Amortization	46,803	51,482	4,678	10%	52,034	5,231	11%	155,816	246,040	90,223	58%	232,981	77,164	50%
(+) Other Income	-	-	-		-	-		-	-	-		256,000	256,000	
(+) Total Other Expenses	( 75,462 )	( 10,498 )	64,964	86%	78,746	154,209	204%	( 1,809,801 )	( 12,707 )	1,797,094	99%	550,800	2,360,601	130%
<b>Total Add Back</b>	( 28,659 )	40,983	69,643	243%	130,781	159,440	556%	( 1,653,985 )	233,332	1,887,317	114%	1,039,780	2,693,765	163%
<b>EBITDA</b>	151,987	141,595	( 10,392 )	7%	218,001	66,014	43%	158,951	68,948	( 90,004 )	57%	2,688,050	2,529,098	1591%

## STATEMENT OF CASH FLOWS

<u>Statement of Cash Flow</u>	<u>Month-to-Date Year-To-Date</u>	
<b>Beginning Cash Balance</b>	<b>1,089,156</b>	<b>-</b>
<i>Cash from operating activities:</i>		
Net Income	180,646	1,812,936
Depreciation	46,803	528,305
Change in Accounts Receivable	(1,198)	(1,525,507)
Change in Accounts Payable	39,341	2,536,171
Change in Gravel Inventory	49,120	(386,482)
Change in Parts Inventory	20,000	-
Change in Tax Payable	(64,215)	(59,506)
Change in Other Current Assets	(66,666)	(990,038)
	<b>203,833</b>	<b>1,915,879</b>
<i>Cash from investing activities:</i>		
Change in PP&E	(1,714,296)	(2,865,009)
Change In Investment	-	(860,208)
Change in Other Long Term Assets	(5,581)	(9,240,219)
	<b>(1,719,877)</b>	<b>(12,965,437)</b>
<i>Cash from financing activities:</i>		
Change In Revolver	-	-
Change in Long Term Debt	1,704,090	5,731,223
Change in Lease Obligation	(18,120)	79,345
Change in Contingent Consideration	17,990	4,281,696
Change in Amounts to Due to Shareholder	-	-
Change in Amounts to Due to Related Party	-	-
Change in Equity	-	2,234,368
Change in Dividends	-	-
	<b>1,703,959</b>	<b>12,326,631</b>
<b>Ending Cash Balance</b>	<b>1,277,072</b>	<b>1,277,072</b>

**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (1/3)**
**Period End 31-Oct-21**

<u>Revenue</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>LTM</u>
Aggregate Sales	-	-	-	-	-	-	-	17,861	678,712	1,560,765	1,212,932	1,275,167	4,745,437
Other Revenue	-	-	-	-	-	-	-	8,000	2,900	10,759	11,588	40,827	74,074
<b>Total Revenue</b>	-	-	-	-	-	-	-	<b>25,861</b>	<b>681,612</b>	<b>1,571,525</b>	<b>1,224,520</b>	<b>1,315,993</b>	<b>4,819,511</b>
<b>Volume Produced (Tonnes)</b>	-	-	-	-	-	-	-	-	<b>52,968</b>	<b>43,944</b>	<b>45,816</b>	<b>45,000</b>	<b>187,728</b>
<b>Volume Stripping &amp; Clearing (Tonnes)</b>	-	-	-	-	-	-	-	-	<b>300,000</b>	-	-	-	<b>300,000</b>
<b>Volume Delivered (Tonnes)</b>	-	-	-	-	-	-	-	-	<b>25,053</b>	<b>56,363</b>	<b>44,678</b>	<b>48,125</b>	<b>174,220</b>
<b>Volume Sold (Tonnes)</b>	-	-	-	-	-	-	-	<b>1,026</b>	<b>25,410</b>	<b>61,791</b>	<b>45,660</b>	<b>51,002</b>	<b>184,889</b>
<i>Revenue Per Tonne</i>													
Aggregate Sales	-	-	-	-	-	-	-	17.41	26.71	25.26	26.56	25.00	120.94
<b>Cost of Sales</b>													
<i>Direct Cost of Sales:</i>													
Subcontractors - Crushing	-	-	-	-	-	-	-	-	288,146	239,055	249,239	244,800	1,021,240
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	-	282,388	-	-	-	282,388
Total Cost of Aggregate Production	-	-	-	-	-	-	-	-	570,534	239,055	249,239	244,800	1,303,629
Net Changes in Aggregate Inventory	-	-	-	-	-	-	-	198	(410,281)	158,957	42,063	49,120	(159,941)
Total Cost of Aggregate Sold	-	-	-	-	-	-	-	198	160,254	398,013	291,302	293,920	1,143,687
Wages - Direct	-	-	-	-	-	-	-	-	4,352	7,880	5,383	7,102	24,718
Gravel Testing	-	-	-	-	-	-	-	-	900	-	600	-	1,500
Subcontractors - Trucking	-	-	-	-	-	-	-	-	227,214	521,644	402,909	456,545	1,608,311
Subcontractors - Load & Scale	-	-	-	-	-	-	-	-	10,021	22,545	17,836	19,250	69,653
Equipment Fuel	-	-	-	-	-	-	-	-	2,069	3,406	2,607	3,110	11,191
Road Usage Fees	-	-	-	-	-	-	-	-	2,021	23,631	17,871	20,401	63,924
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-	-	-	111,053	245,992	199,247	190,480	746,772
<b>Total Direct Cost of Sales</b>	-	-	-	-	-	-	-	<b>198</b>	<b>517,885</b>	<b>1,223,110</b>	<b>937,755</b>	<b>990,808</b>	<b>3,669,756</b>
<b>Contribution Margin %</b>								<b>99%</b>	<b>24%</b>	<b>22%</b>	<b>23%</b>	<b>22%</b>	<b>23%</b>
<b>Variable Cost Per Tonne</b>													
Subcontractors - Crushing	-	-	-	-	-	-	-	-	5.44	5.44	5.44	5.44	5.44
Subcontractors - Clearing & Stripping	-	-	-	-	-	-	-	-	0.94	-	-	-	0.94
Total Cost of Aggregate Production	-	-	-	-	-	-	-	-	6.38	5.44	5.44	5.44	6.38
Net Changes in Aggregate Inventory	-	-	-	-	-	-	-	0.19	(0.07)	1.00	0.94	0.32	(0.20)
Total Cost of Aggregate Sold	-	-	-	-	-	-	-	0.19	6.31	6.44	6.38	5.76	6.19
Wages - Direct	-	-	-	-	-	-	-	-	0.17	0.13	0.12	0.14	0.13
Gravel Testing	-	-	-	-	-	-	-	-	0.02	-	0.01	-	0.01
Subcontractors - Trucking	-	-	-	-	-	-	-	-	9.07	9.26	9.02	9.49	9.23
Subcontractors - Load & Scale	-	-	-	-	-	-	-	-	0.39	0.36	0.39	0.38	0.38
Equipment Fuel	-	-	-	-	-	-	-	-	0.08	0.06	0.06	0.06	0.06
Road Usage Fees	-	-	-	-	-	-	-	-	0.08	0.38	0.39	0.40	0.35
Jobsite Lodging Meals & Allowances	-	-	-	-	-	-	-	-	-	-	-	-	-
Jobsite Consumables	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Expense	-	-	-	-	-	-	-	-	4.37	3.98	4.36	3.73	4.04
Total Direct Cost Per Tonne Sold	-	-	-	-	-	-	-	0.19	20.38	19.79	20.54	19.43	19.85
Contributed Profit Per Tonne Sold	-	-	-	-	-	-	-	17.21	6.33	5.46	6.03	5.58	101.09

**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (2/3)**
**Period End 31-Oct-21**

	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<b>LTM</b>
<i>Indirect Cost of Sales</i>													
Wages - Indirect	-	-	-	-	-	-	2,965	2,777	2,942	2,094	2,452	799	14,028
Third Party Repair & Maintenance	-	-	-	-	-	-	-	-	-	840	10,951	2,495	14,286
Parts Expense	-	-	-	-	-	-	37	1,352	2,338	26	-	20,205	23,957
Equipment Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel - Pickup Trucks & Shop Equipment	-	-	-	-	-	-	-	207	495	258	268	114	1,341
Third Party Shop Services	-	-	-	-	-	-	115	195	195	195	139	2,735	3,574
Shop Personnel Lodging & Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Shop Supplies	-	-	-	-	-	-	94	-	117	86	62	219	578
Small Tools	-	-	-	-	-	-	-	8	-	-	-	58	66
Freight Expense	-	-	-	-	-	-	7,800	-	10,521	-	-	-	18,321
Safety Supplies	-	-	-	-	-	-	2,231	125	-	770	210	-	3,335
Licensing & Registration	-	-	-	-	-	-	-	146	84	-	-	291	521
Droning	-	-	-	-	-	-	-	-	6,440	-	-	-	6,440
Depreciation - Equipment	-	-	-	-	-	-	5,280	5,338	5,855	5,855	4,281	30,322	56,930
Amortization - Pit Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization - ARO	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Indirect Cost of Sales</b>	-	-	-	-	-	-	<b>18,522</b>	<b>10,147</b>	<b>28,985</b>	<b>10,123</b>	<b>18,362</b>	<b>57,238</b>	<b>143,376</b>
<b>Total Cost of Sales</b>	-	-	-	-	-	-	<b>18,522</b>	<b>10,345</b>	<b>546,870</b>	<b>1,233,232</b>	<b>956,117</b>	<b>1,048,046</b>	<b>3,813,132</b>
<b>Gross Profit</b>	-	-	-	-	-	-	<b>( 18,522 )</b>	<b>15,516</b>	<b>134,742</b>	<b>338,292</b>	<b>268,402</b>	<b>267,948</b>	<b>1,006,379</b>
<b>Gross Margin %</b>								60%	20%	22%	22%	20%	21%
<i>Indirect Cost per Tonne Sold</i>													
Wages - Indirect	-	-	-	-	-	-	-	2.71	0.12	0.03	0.05	0.02	0.08
Third Party Repair & Maintenance	-	-	-	-	-	-	-	-	-	0.01	0.24	0.05	0.08
Parts Expense	-	-	-	-	-	-	-	1.32	0.09	0.00	-	0.40	0.13
Equipment Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel - Pickup Trucks & Shop Equipment	-	-	-	-	-	-	-	0.20	0.02	0.00	0.01	0.00	0.01
Third Party Shop Services	-	-	-	-	-	-	-	0.19	0.01	0.00	0.00	0.05	0.02
Shop Personnel Lodging & Meals	-	-	-	-	-	-	-	-	-	-	-	-	-
Shop Supplies	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Small Tools	-	-	-	-	-	-	-	0.01	-	-	-	0.00	0.00
Freight Expense	-	-	-	-	-	-	-	-	0.41	-	-	-	0.10
Safety Supplies	-	-	-	-	-	-	-	0.12	-	0.01	0.00	-	0.02
Licensing & Registration	-	-	-	-	-	-	-	0.14	0.00	-	-	0.01	0.00
Droning	-	-	-	-	-	-	-	-	0.25	-	-	-	0.03
Depreciation - Equipment	-	-	-	-	-	-	-	5.20	0.23	0.09	0.09	0.59	0.31
Amortization - Pit Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization - ARO	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Indirect Cost per Tonne Sold</b>	-	-	-	-	-	-	-	<b>9.89</b>	<b>1.14</b>	<b>0.16</b>	<b>0.40</b>	<b>1.12</b>	<b>0.78</b>
<b>Total Cost per Tonne Sold</b>	-	-	-	-	-	-	-	<b>9.89</b>	<b>1.14</b>	<b>0.16</b>	<b>0.40</b>	<b>1.12</b>	<b>0.78</b>



**LAST TWELVE MONTHS ("LTM") - OPERATING INCOME STATEMENT (3/3)**

Period End 31-Oct-21

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	LTM
<b><u>General &amp; Administrative</u></b>													
Management Wages	-	-	-	-	-	-	80,184	88,978	101,984	96,772	73,055	103,405	544,379
Bonus Expense	-	-	-	-	-	-	75,000	-	-	-	-	-	75,000
Group Benefit Plan	-	-	-	-	-	-	1,022	1,502	2,794	2,934	2,649	2,485	13,386
WCB PIR Refund	-	-	-	-	-	-	(186)	-	-	-	-	-	(186)
Insurance	-	-	-	-	-	-	3,770	3,770	3,885	3,542	3,549	5,004	23,521
Accounting Fees	-	-	-	-	-	-	-	-	-	-	10,000	700	10,700
Legal Fees	-	-	-	-	-	-	-	-	2,500	-	-	1,000	3,500
Other Professional Services	-	-	-	-	-	-	27,633	-	-	278	-	-	27,911
Utilities	-	-	-	-	-	-	3,332	2,724	3,391	1,699	63	2,140	13,349
Property Rent	-	-	-	-	-	-	6,038	5,951	5,951	5,951	5,951	5,951	35,791
Property Taxes	-	-	-	-	-	-	5,368	5,368	5,841	4,832	5,046	4,832	31,287
Depreciation - Capitalized Property Lease	-	-	-	-	-	-	16,481	16,481	16,481	16,481	16,481	16,481	98,887
Advertising & Promotions	-	-	-	-	-	-	-	1,475	6,611	3,686	1,799	1,079	14,651
Business Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues & Licenses	-	-	-	-	-	-	-	-	444	182	575	1,117	2,318
Office Supplies	-	-	-	-	-	-	43	726	714	243	227	477	2,430
Office Services	-	-	-	-	-	-	1,950	1,920	2,511	1,229	772	885	9,268
Small Office Assets	-	-	-	-	-	-	654	140	200	-	-	-	994
Bank Service Fees	-	-	-	-	-	-	138	245	237	383	540	307	1,851
Software Subscriptions	-	-	-	-	-	-	2,404	4,084	2,846	2,902	1,598	2,807	16,641
IT Services	-	-	-	-	-	-	248	630	135	248	45	450	1,755
Internet & Web Hosting	-	-	-	-	-	-	789	478	478	478	478	478	3,181
Communications	-	-	-	-	-	-	1,577	671	2,690	1,553	1,184	1,632	9,307
Management - Travel & Accommodations	-	-	-	-	-	-	-	-	2,031	420	-	678	3,130
Management - Vehicle Fuel	-	-	-	-	-	-	785	924	3,721	3,236	3,186	4,758	16,611
Management - Vehicle R&M	-	-	-	-	-	-	-	-	-	14	248	10	272
Management - Vehicle Allowances	-	-	-	-	-	-	4,144	5,517	3,769	2,787	3,279	4,383	23,880
Meals & Entertainment	-	-	-	-	-	-	-	148	829	507	421	478	2,383
Professional Development	-	-	-	-	-	-	734	-	-	75	-	1,198	2,007
Recruitment Expense	-	-	-	-	-	-	14,666	-	140	-	-	27	14,833
Gifts	-	-	-	-	-	-	-	-	208	-	-	-	208
<b>Total General &amp; Administrative</b>	-	-	-	-	-	-	246,775	141,732	170,394	150,431	131,148	162,764	1,003,244
<b>% of Revenue</b>	-	-	-	-	-	-	-	548%	25%	10%	11%	12%	21%
<b>Operating Income</b>	-	-	-	-	-	-	(265,297)	(126,216)	(35,652)	187,861	137,254	105,184	3,135
<b>Other Expenses</b>													
Other Income	-	-	-	-	-	-	-	-	-	(47,579)	(7,481)	(127,579)	(182,639)
Interest	-	-	-	-	-	-	28,119	24,446	25,774	24,497	24,232	25,009	152,077
Fees	-	-	-	-	-	-	990	41,047	14,342	23,073	23,580	3,365	106,396
Loss(Gain) On Disposal Of Asset	-	-	-	-	-	-	-	-	(3,064)	-	-	-	(3,064)
Loss(Gain) On FV Change of Cont. Cons.	-	-	-	-	-	-	(2,002,868)	24,541	24,187	23,251	24,575	23,743	(1,882,571)
Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Expenses</b>	-	-	-	-	-	-	(1,973,760)	90,034	61,239	23,243	64,906	(75,462)	(1,809,801)
<b>Net Income</b>	-	-	-	-	-	-	1,708,463	(216,250)	(96,891)	164,618	72,349	180,646	1,812,936
<b>EBITDA</b>													
(+) Depreciation & Amortization	-	-	-	-	-	-	21,761	21,819	22,336	22,336	20,762	46,803	155,816
(+) Total Other Expenses	-	-	-	-	-	-	(1,973,760)	90,034	61,239	23,243	64,906	(75,462)	(1,809,801)
<b>Total Add Back</b>	-	-	-	-	-	-	(1,951,999)	111,853	83,575	45,578	85,668	(28,659)	(1,653,985)
<b>EBITDA</b>	-	-	-	-	-	-	(243,536)	(104,397)	(13,316)	210,197	158,016	151,987	158,951

**LAST TWELVE MONTHS - ADJUSTED EBITDA**
**Period End 31-Oct-21**

Account	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	LTM
<b>EBITDA</b>	-	-	-	-	-	-	( 243,536 )	( 104,397 )	( 13,316 )	210,197	158,016	151,987	<b>158,951</b>
<i>Adjustments</i>													
Business startup costs													
Management Wages													
President signing bonus							75,000						<b>75,000</b>
Interim president advisory services							27,633						<b>27,633</b>
Executive Recruitment Fees							14,666						<b>14,666</b>
Safety Signage							2,231						<b>2,231</b>
<b>Total business startup costs</b>	-	-	-	-	-	-	119,530	-	-	-	-	-	<b>119,530</b>
Auction Security Monitoring Costs							1,250						<b>1,250</b>
Office Services							1,250						<b>1,250</b>
Legal fees to sell Gagner pit									2,500				<b>2,500</b>
Legal Fees									2,500				<b>2,500</b>
Stripping normalization (\$0.31/Tonne)									7,877	19,155	14,155	15,811	<b>56,997</b>
Total Cost of Aggregate Sold									7,877	19,155	14,155	15,811	<b>56,997</b>
Purchase price normalization								12,285	5,035	5,972	( 23,292 )		-
Management Wages								12,285	5,035	5,972	( 23,292 )		-
Purchase price normalization							2,227				( 2,227 )		-
Utilities							2,227				( 2,227 )		-
Purchase price normalization							411				( 411 )		-
Communications							411				( 411 )		-
Purchase price normalization							1,398				( 1,398 )		-
Software							1,398				( 1,398 )		-
Abby Horne, EPO time allocation <sup>(1)</sup>							2,957	2,556					<b>5,513</b>
Management Wages							2,957	2,556					<b>5,513</b>
<b>Adjusted EBITDA</b>	-	-	-	-	-	-	( 115,763 )	( 89,556 )	2,095	235,325	144,842	167,798	<b>344,742</b>

**Notes**

1 - EPO time allocation costs are still being finalized.

**AGED ACCOUNTS RECEIVABLE SUMMARY**

<b>Name</b>	<b>Amount</b>	<b>Current</b>	<b>Over 30</b>	<b>Over 60</b>	<b>Over 90</b>	<b>Over 120</b>
MD of Bonnyville No.87	983,759	983,759	-	-	-	-
Lafarge Canada Inc.	112,230	68,545	18,320	25,364	-	-
Grynn Contracting	36,246	36,246	-	-	-	-
Bonnie's Equipment Services	13,506	13,506	-	-	-	-
North East Bulk Transportation Services Ltd.	11,701	-	-	11,701	-	-

Other						
<b>TOTAL</b>	<b>1,157,441</b>	<b>1,102,056</b>	<b>18,320</b>	<b>37,065</b>	<b>-</b>	<b>-</b>

**AGED ACCOUNTS PAYABLE SUMMARY**

Name	Amount	Current	Over 30	Over 60	Over 90	Over 120
945441 Alberta Ltd.	690,421	215,532	210,052	264,837	-	-
County of St. Paul	557,681	277,253	280,429	-	-	-
Seven Lakes Oilfield Services Corp.	174,031	104,166	69,865	-	-	-
R. Batke Oilfield Ltd.	152,681	73,347	79,334	-	-	-
955937 Alberta Ltd.	142,577	87,417	55,159	-	-	-
Matt Silver Trucking Ltd.	137,511	73,865	63,646	-	-	-
Shamrock Valley Enterprises Ltd.	119,235	28,077	91,158	-	-	-
Fedoruk Transport Inc.	53,593	31,107	22,486	-	-	-
Belar Enterprises Cold Lake Inc.	53,069	32,750	20,319	-	-	-
ACL Trucking Ltd.	45,001	24,758	20,243	-	-	-
Receiver General - Payroll Source Deductions	29,809	29,809	-	-	-	-
Karasiuk Enterprises Ltd.	22,050	22,050	-	-	-	-
Allan K. MacDonald	17,611	9,061	-	8,549	-	-
Homegrown Hydroseeding	12,600	12,600	-	-	-	-
Deloitte Management Services LP	11,235	11,235	-	-	-	-
ATB Financial	10,861	5,753	-	5,108	-	-
Mistol Seeds	9,881	9,881	-	-	-	-
Pozniak HD Field Services Inc.	8,076	8,076	-	-	-	-
North East Bulk Transportation Services Ltd.	6,463	-	6,463	-	-	-
Aspen Land Group Inc.	6,074	-	6,074	-	-	-
Location Cats	5,755	5,755	-	-	-	-
CPP Environmental	3,257	-	3,257	-	-	-
Shelby Engineering Ltd.	2,520	-	2,520	-	-	-
Lloyd Sadd Insurance Brokers	948	948	-	-	-	-
Lakeland Panthers	700	700	-	-	-	-
Expenses Tyler Pell	592	592	-	-	-	-
MicroAge (The Computer Cache St. Paul) Ltd.	473	473	-	-	-	-
Expenses Tenille Paul	364	364	-	-	-	-
Expenses Tad Reed	215	215	-	-	-	-
Expenses Kostas Tsoukalas	193	193	-	-	-	-
Expenses Jason Mercier	168	168	-	-	-	-
BlackRock Cleaning Services	147	147	-	-	-	-
Wildrose Disposal Inc.	121	121	-	-	-	-
Direct Energy Acct 5309	116	116	-	-	-	-
MCS Net	105	105	-	-	-	-
Victor Insurance Managers Inc.	(2,786)	(2,786)	-	-	-	-
9046 22 Ave. Inc.	(7,076)	(7,076)	-	-	-	-
489786 AB Ltd.	(22,276)	(22,276)	-	-	-	-

Other	TOTAL					
	2,243,993	1,034,492	931,007	278,494	-	-

THIS IS EXHIBIT “G” TO THE AFFIDAVIT  
OF CORY PICHOTA SWORN ON THE  
8TH DAY OF AUGUST, 2023

---

A Commissioner for Oath in and for the  
Province of Alberta

August 1, 2023

Cory Pichota on behalf of Mantle Materials Group Inc.  
([cory.pichota@mantlegroup.ca](mailto:cory.pichota@mantlegroup.ca))

Jeffrey Buck in his personal capacity and on behalf of 2161889 Alberta Ltd.  
([jeffbuckjmb@gmail.com](mailto:jeffbuckjmb@gmail.com))

Byron Levkulich in his personal capacity, on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc.  
([Byron.LevKulich@rlholdings.com](mailto:Byron.LevKulich@rlholdings.com))

Aaron Patsch in his personal capacity on behalf of 2161889 Alberta Ltd. and on behalf of Mantle Materials Group, Inc.  
([Aaron.patsch@rlholdings.com](mailto:Aaron.patsch@rlholdings.com))

Lisa Ball in her personal capacity, on behalf of 2161889 Alberta Ltd and on behalf of 541466  
([lball@jlgball.com](mailto:lball@jlgball.com))

Robert Beaverford in his personal capacity  
(52547 RR 223 Sherwood Park, AB T8A 4P7)

George Shandro in his personal capacity  
(Box 7556 Bonnyville, AB T9N 2H8)

Dear Mr. Pichota, Mr. Buck, Mr. Levkulich, Mr. Patsch, Ms. Ball, Mr. Beaverford, Mr. Shandro:

**Subject: Environmental Obligations under Orders issued under the Environmental Protection and Enhancement Act and the Water Act**

As you may be aware, Mantle Material Group Ltd. (“Mantle”) commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal (“NOI”), pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*. The Notice of Intention has been provided for easy reference.

**Environmental Obligations under the Orders**

While EPA is encouraged to note that Mantle intends to continue operations during the restructuring process, I am writing to you to remind all parties of their obligations under the orders listed below (“Orders”) to which they are parties.

Depending on the order and the remedial plan approved by EPA, ongoing work on both public and private land was scheduled to start on May 15 and is to be completed by November 1, 2023.

## **Orders on Public Land**

1. Environmental Protection Order No. EPO-EPEA-35659-07 (SML 060060), as amended, which was issued jointly and severally to Mantle Materials Group, Ltd., Byron Levkulich, Aaron Patsch, Jeffrey Buck, Lisa Ball, 541466 Alberta Ltd., Robert W. Beaverford,
2. Enforcement Order No. EO-WA-35659-01 (SML 060060), as amended, which was issued jointly and severally to Mantle Materials Group, Ltd., Byron Levkulich, Aaron Patsch, Jeffrey Buck, Lisa Ball, 541466 Alberta Ltd., Robert W. Beaverford.
3. Environmental Protection Order No. EPO-EPEA-35659-08 (SML930040), as amended, which was issued jointly and severally to JMB Crushing Systems Inc.; Byron Levkulich.; Aaron Patsch, George Shandro.
4. Environmental Protection Order No. EPO-EPEA-35659-09 (SML 980116), as amended, which was issued jointly and severally to JMB Crushing Systems Inc.; Byron Levkulich.; Aaron Patsch.
5. Environmental Protection Order No. EPO-EPEA-35659-10 (SML 120027) as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
6. Environmental Protection Order No. EPO-EPEA-35659-01 (MacDonald), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.

## **Orders on Private Land**

7. Environmental Protection Order No. EPO-EPEA-35659-02 (Megley), as amended, which was issued to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
8. Environmental Protection Order No. EPO-EPEA-35659-03 (Kucey), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
9. Environmental Protection Order No. EPO-EPEA-35659-05 (Buksa), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.
10. Environmental Protection Order No. EPO-EPEA-35659-06 (O'Kane), as amended, which was issued jointly and severally to JMB Crushing Systems Inc., Byron Levkulich, Aaron Patsch and Jeffrey Buck.

EPA has previously provided to all parties a copy of the remedial plan approved by EPA that includes an implementation schedule with start dates and completion dates associated with each of the Orders listed above. However, if any party would like to discuss any of the Orders, please contact the undersigned at [Heather.Dent@gov.ab.ca](mailto:Heather.Dent@gov.ab.ca).

Sincerely,

A handwritten signature in blue ink that reads "Heather Dent".

Heather Dent  
Compliance Manager

cc:

Maxwell Harrison, EPA  
([Maxwell.Harrison@gov.ab.ca](mailto:Maxwell.Harrison@gov.ab.ca))

Nathan Polturak, EPA  
([Nathan.Polturak@gov.ab.ca](mailto:Nathan.Polturak@gov.ab.ca))



July 19, 2023

**To: All Known Creditors of Mantle Materials Group Ltd. (the “Company”)**

We are writing to advise you that on July 14, 2023, the Company commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal (“NOI”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”). A copy of the NOI and preliminary listing of creditors is attached. FTI Consulting Canada Inc. (“FTI”) has been appointed as the Trustee under the NOI (“Trustee”).

Although the NOI proceeding is pursuant to the BIA, it is important to note that the Company is not bankrupt and intends to continue operating during the proceedings.

At present, creditors are not required to file a proof of claim. The Trustee will provide you with further information and a proof of claim form, if necessary, at a later date.

During the proceedings:

- No person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with Company, by reason only that the Company is insolvent or by reason of filing of the Notice of Intention, pursuant to Section 65.1(1) of the BIA;
- No creditor has any remedy against the Company or its property, or shall commence or continue any action, or other proceedings against the Company pursuant to Section 69.1(1) of the BIA; and
- Suppliers should discuss directly with their usual Company contact the terms of payment for goods and/or services that they provide to the Company.

Further information with respect to these proceedings will be made available on the Trustee’s website:

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

If you have any questions after speaking with your contact at the Company, please contact a representative of the Trustee, Brandi Swift at (403) 454-6038 or via email: brandi.swift@fticonsulting.com

Regards,



**FTI CONSULTING CANADA INC.**

Trustee under the Notice of Intention to make  
A proposal of Mantle Materials Group Ltd.

Encl.

District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No.

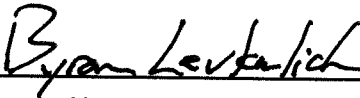
- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
Mantle Materials Group Ltd.  
of the city of Calgary  
in the Province of Alberta

Take notice that:

1. I, Mantle Materials Group, Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. FTI Consulting Canada Inc. of Suite 1610, 520 - 5th Ave S.W., Calgary, AB, T2P 3R7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Calgary in the Province of Alberta, this 14th day of July 2023.

  
\_\_\_\_\_  
Mantle Materials Group, Ltd.  
Byron Levkulich, Director

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Mantle Materials Group Ltd.  
 of the city of Calgary  
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
302016 Alberta Ltd.	15208 - 65 Street Edmonton AB T5A 2E3		5,494.15
Absolute Multicorp Ltd.	Box 1980 Cold Lake AB T9M 1P4		18,719.36
Accurate Scale Industries Ltd.	16815 - 129 Avenue Edmonton AB T5V 1L2		1,815.19
Alberta Auto FinancE ltd.	Finance Lease 11145, 11146 6103 130 Ave SE Calgary AB T2Z 5E1		55,233.05
ATB Financial	ATB Place, 2100 – 10020 100 St NW Edmonton AB T5J 0N3		16,420.29
Athabasca County	3602 - 48 Avenue Athabasca AB T9S 1M8		1,309.34
Bonnie's Equipment Services	Box 6113 Bonnyville AB T9N 2G7		43,216.50
Bonnyville Jr. A Pontiacs	PO Box 5554 Bonnyville AB T9N 2G6		2,000.00
CAFO Inc.	10025 - 106 St NW, Ste 604, Baker Centre Edmonton AB T6X 1Z6		50,976.18
Cortex Management Inc.	6400 - 30 Street NW E Edmonton AB T6P 1J6		6,491.10
Cougar Fuels Ltd.	5602 - 54 Avenue Bonnyville AB T9N 2N3		911.32
CPP Environmental	#154, 150 Chippewa Road Sherwood Park AB T8A 6A2		3,023.22
De Lage Landen	3450 Superior Court Unit 1 Oakville ON L6L 0C4		4,418.53
Deloitte Management Services LP	c/o T04567C PO Box 4567 Stn A Toronto ON M5W 0J1		16,852.50

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

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 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
 Mantle Materials Group Ltd.  
 of the city of Calgary  
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Diversity Construction Inc.	Box 7606 Bonnyville AB T9N 2H9		10,234.36
Diversity Equipment Rentals & Sales Ltd.	Box 6113 Bonnyville AB T9N 2G7		100,418.85
Elrus Aggregate Systems	4409 Glenmore Trail SE Calgary AB T2C 2R8		16,940.44
Enterprise Fleet Management	PO Box 9473 STN A Toronto ON M5W 4E1		2,501.40
FAAN Advisors Group Inc.	20 Adelaide Street East , Suite 920 Toronto ON M5C 2T6		16,126.95
Fiera Private Debt Fund	Tranche A, B, D 20 Adelaide Street East Suite 1500 Toronto ON M5C 2T6		8,430,020.63
Harvey Yadlowski	RR 2 Andrew AB T0B 0C0		10,555.38
Havener, Gail	Box 608 E Elk Point AB T0A 1A0		1,077.61
Havener, Helen (Estate of)	Box 932 Coronation AB T0C 1C0		1,077.61
Kudo Energy Services Inc.	Box 7338 Bonnyville AB T9N 2H7		3,412.50
Lafarge Canada Inc.	P.O. Box 4091 Postal Sation "A" Toronto ON M5W 5K4		35,814.99
Location Cats Heavy Equipment	Box 1275 St. Paul AB T0A 3A0		71,065.05
Machinery Supply	100 E Lake Drive NE Airdrie AB T4A 2K1		9,309.30
MD of Bonnyville No.87	4905 - 50 Ave Bag Service 1010 Bonnyville AB T9N 2J7		414.00

District of: Alberta  
 Division No. 02 - Calgary  
 Court No.  
 Estate No.

- FORM 33 -  
 Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)


In the Matter of the Proposal of  
 Mantle Materials Group Ltd.  
 of the city of Calgary  
 in the Province of Alberta

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MicroAge (The Computer Cache St. Paul) Ltd.	Box 1810 St. Paul AB T0A 3A0		8,355.34
Mistol Seeds	5910 57 Street St. Paul AB T0A 3A0		4,158.00
North Country Co-Op	Box 30 Plamondon AB T0A 2T0		2,349.28
Pathward (Crestmark)	5501 South Broadband Lane Sioux Falls SD 57108 USA		509,146.27
PetroCanada SuperPass	PO Box 8500 Don Mills ON M3C 3B2		5,871.98
RLF Lender Canada Limited	1400 16th Street, Suite 320 Denver CO 80202 USA		1,779,614.16
Seven Lakes Oilfield Services Corp.	Box 779 Cold Lake AB T9M 1P2		1,423.51
Smoky Lake County	Box 310 Smoky Lake AB T0A 3C0		17,438.66
SMS Equipment Inc.	16116 111 Ave Edmonton AB T5M 2S1		8,174.49
TD Visa	4747 Cory Pichota Payable; 6713 Tenille Paul Payable TD Tower, 10088-102 Avenue NW, Suite #2601 Edmonton AB T5J 2Z1		8,652.61
Thorhild County	Box 10 Thorhild AB T0A 3J0		4,891.93
Travelers Financial Group Limited	Equipment Debt 400 - 4180 Lougheed Highway Burnaby BC V5C 6A7		1,065,474.64
WSP E&I Canada Limited	c/o Lockbox 920990 P.O. Box 4090 STN A Toronto ON M5W 0E9		6,388.20
<b>Total</b>			<b>12,357,788.87</b>

District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of  
Mantle Materials Group Ltd.  
of the city of Calgary  
in the Province of Alberta

  
\_\_\_\_\_  
Mantle Materials Group, Ltd.  
Byron Levkulich, Director

**CONSENT TO ACT AS TRUSTEE UNDER A PROPOSAL  
SECTION 50.4(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)***

TO: Mantle Materials Group Ltd. (the “Company”)

THE UNDERSIGNED, **FTI CONSULTING CANADA INC.**, consents to acting as trustee under a proposal to be filed by the Company, pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (Canada).

**Dated this 14<sup>th</sup> day of July, 2023**

**FTI CONSULTING CANADA INC.**

Per:



Dustin Olver  
Senior Managing Director



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-2965622  
Estate No. 25-2965622

In the Matter of the Notice of Intention to make a proposal of:

**Mantle Materials Group, Ltd.**

Insolvent Person

**FTI CONSULTING CANADA INC.**

Licensed Insolvency Trustee

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Date of the Notice of Intention:

July 14, 2023

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: July 17, 2023, 10:38

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

**Canada**