

COURT FILE NUMBER 2001-05482

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF 2324159 ALBERTA INC.

DOCUMENT EIGHTEENTH REPORT OF FTI CONSULTING  
CANADA INC., IN ITS CAPACITY AS MONITOR OF  
2324159 ALBERTA INC.

**August 16, 2021**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR**

FTI Consulting Canada Inc.  
1610, 520, 5<sup>th</sup> Ave. SW  
Calgary, AB T2P 3R7  
Deryck Helkaa / Tom Powell  
Telephone: (403) 454-6031 / (604) 484-9525  
Fax: (403) 232-6116  
E-mail: deryck.helkaa@fticonsulting.com  
tom.powell@fticonsulting.com

**COUNSEL**

McCarthy Tétrault LLP  
Suite 4000, 421 7<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 4K9  
Sean Collins / Pantelis Kyriakakis  
Telephone: (403) 260-3531 / (403) 260-3536  
Fax: (403) 260-3501  
E-mail: scollins@mccarthy.ca  
pkyriakakis@mccarthy.ca

# EIGHTEENTH REPORT OF THE MONITOR

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## INTRODUCTION

1. On May 1, 2020 (the “**Filing Date**”), JMB Crushing Systems Inc. (“**JMB**”) and 2161889 Alberta Ltd. (“**216**” and together with JMB, the “**Initial Applicants**”) commenced proceedings (the “**CCAA Proceedings**”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court which was subsequently amended and restated on May 11, 2020 (the “**ARIO**”).
2. The ARIO appointed FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”) and established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Initial Applicants until July 31, 2020. On March 31, 2021, this Honourable Court most recently granted an order extending the Stay of Proceedings with respect to 2324159 Alberta Inc. (“**ResidualCo**” and together with the Initial Applicants, the “**Applicants**”) to September 3, 2021.
3. On March 31, 2021, this Honourable Court granted the following orders:
  - a. an order approving a transaction (the “**Mantle Transaction**”) for the sale to Mantle Materials Group, Ltd. (“**Mantle**”) of certain assets and vesting such assets free and clear of any security interests or other claims other than certain permitted encumbrances;
  - b. an order vesting all of the Initial Applicants’ remaining assets and liabilities that are excluded from the Mantle Transaction in ResidualCo and adding ResidualCo as a debtor company in the CCAA Proceedings;
  - c. an order assigning certain of the Initial Applicants’ agreements to Mantle; and
  - d. an order sanctioning an amended and restated joint plan of arrangement under the *Business Corporations Act*, SBC 2002, c 57, as amended (British Columbia), the

*Alberta's Business Corporations Act*, RSA 2000, c B-9 and the CCAA (collectively, the "**Mantle Transaction Orders**").

4. On April 27, 2021, the Mantle Transaction closed which allowed JMB and 216 to emerge from the CCAA Proceedings and resulted in ResidualCo being the sole Applicant.
5. On May 14, 2021, this Honourable Court granted an order expanding the powers of the Monitor (the "**Enhanced Monitor's Powers Order**").
6. On August 16, 2021, the Monitor filed an application seeking the following orders:
  - a. an order (the "**Action Approval, Stay Extension and Distribution Order**"):
    - i. approving the activities and conduct of the Monitor;
    - ii. extending the Stay of Proceedings until and including December 3, 2021 (the "**Stay Extension**");
    - iii. authorizing and empowering the Monitor to make distributions to ATB Financial ("**ATB**") and Canadian Western Bank ("**CWB**") as set out in this Eighteenth Report, subject to any holdbacks necessary to fund the conclusion of the CCAA Proceedings; and
    - iv. such other relief as this Honourable Court considers just and appropriate in the circumstances;
  - b. an order (the "**Cost Allocation Order**") approving the methodology for allocating costs among the secured creditors and Mantle (the "**Cost Allocation**"), directing each of the affected creditors (the "**Affected Creditors**") to pay their respective obligations pursuant to the Cost Allocation to the Monitor and authorizing the Monitor to deduct any amounts owing by any Affected Creditors under the Cost Allocation from any distributions which such Affected Creditors are entitled to.

7. The purpose of this report is to provide this Honourable Court and ResidualCo's stakeholders with information and the Monitor's comments with respect to:
  - a. the activities of the Monitor since the granting of the Enhanced Monitor's Powers Order;
  - b. the Cost Allocation;
  - c. the Applicant's actual cash receipts and disbursements for the 65-week period ended July 30, 2021 as compared to the Fourteenth Cash Flow Statement filed with the Seventeenth Report of the Monitor;
  - d. an updated cash flow statement (the "**Fifteenth Cash Flow Statement**") prepared on behalf of ResidualCo for the 83 weeks ending December 3, 2021 including the key assumptions on which the Fifteenth Cash Flow Statement is based;
  - e. the Monitor's application for the Stay Extension; and
  - f. the Monitor's conclusions and recommendations.

## **TERMS OF REFERENCE**

8. In preparing this report, the Monitor has relied upon certain information (the "**Information**") including information provided by the Initial Applicants and ResidualCo concerning the various assets subject to the various transactions and the Initial Applicants' and ResidualCo's unaudited financial information, books and records and discussions with senior management and the Chief Restructuring Advisor (collectively, "**Management**"), as applicable.
9. Except as described in this report, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

10. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
11. Future oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

### **MONITOR'S ACTIVITIES**

13. Since the Enhanced Monitor's Powers Order was granted, the Monitor's activities have included, among other things:
  - a. attending to post-closing matters with respect to the Mantle Transaction;
  - b. taking possession of the Initial Applicants' bank accounts;
  - c. administering payments in respect of estate costs;
  - d. resolving the contested builder's lien claim of RBEE Aggregate Consulting Ltd.;
  - e. preparing the Cost Allocation in consultation with major secured creditors and engaging with the Affected Creditors regarding same;
  - f. evaluating potential sources of additional recoveries to the estate;
  - g. corresponding with secured creditors and other stakeholders; and
  - h. preparing this Eighteenth Report of the Monitor.

## **COST ALLOCATION METHODOLOGY**

14. The Enhanced Monitor’s Powers Order authorizes and empowers the Monitor to attend to, complete, seek approval of, and implement a cost allocation with respect to these CCAA Proceedings. The Affected Creditors, who are the stakeholders with a financial interest in the Cost Allocation, are limited to Mantle and the following secured creditors which had first-ranking security interests in their respective collateral:

- a. ATB, which had a first-ranking security interest in the inventory, accounts receivable and a parcel of real property owned by JMB;
- b. Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. (“**Fund VI**”) and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI (collectively, “**Fiera**”) which had the first-ranking general security interest in all other personal property and assets of the Initial Applicants, subject to the interests of the PMSI Creditors; and
- c. several equipment lenders and lessors (the “**PMSI Creditors**”) who financed and/or leased specific pieces of equipment.

15. In order to address the allocation of costs, after extensive negotiations, Fiera, ATB and Mantle came to an agreement on costs dated April 26, 2021 (the “**Cost Allocation Agreement**”). The Cost Allocation Agreement is confidential. The Monitor is not a party to the Cost Allocation Agreement.

16. In preparing the Cost Allocation, the Monitor, in consultation with its legal counsel, considered the agreement of ATB, Fiera, and Mantle, as set out in the Cost Allocation Agreement and the following principles for determining an appropriate allocation methodology in the present circumstances:

- a. the allocation of costs should be done on a case-by-case basis;

- b. costs should be allocated in a fair and equitable manner, one which does not readjust the priorities between creditors, and one which does not ignore the benefit or detriment to any creditor;
  - c. a strict accounting is neither necessary nor desirable in all cases;
  - d. a creditor need not benefit “directly” before costs can be allocated to that creditor, an indirect benefit is enough; and
  - e. an allocation does not require a strict cost-benefit analysis or that the costs be borne equally.
17. After considering various allocation methodologies in relation to the circumstances, the Monitor determined that it was appropriate to allocate the costs based on the nature of the specific costs incurred and the benefits and potential benefits derived by the applicable Affected Creditors, based on their respective collateral.
18. The principles underlying the Cost Allocation include the following:
- a. certain Affected Creditors’ collateral largely funded the costs of the CCAA Proceedings, including primarily through the sale of equipment, inventory, current assets, and accounts receivable;
  - b. the methodology concerns the Company’s cash disbursements for the period from the commencement of these proceedings on May 1, 2020 and ending on May 28, 2021 (the “**Restructuring Period**”) by which time the Mantle Transaction had been completed;
  - c. the amounts that have been allocated among the Affected Creditors are based on which stakeholder(s) benefited from the various actions, steps, and associated costs and disbursements incurred during the Restructuring Period;



- d. certain of the costs incurred by the Applicants, including administrative expenses and certain employee and restructuring costs, are general in nature and it is only possible to estimate the portion of such costs that should be allocated to each Affected Creditor;
- e. Mantle agreed, pursuant to the Cost Allocation Agreement, to fund certain costs of these CCAA Proceedings;
- f. the *pro rata* amount allocated to each of the PMSI Creditors is based on the relative appraised forced liquidation values of each of the PMSI Creditors' collateral using the values in an appraisal prepared by GB Appraisal Canada, ULC dated May 5, 2020 (the "**Appraisal**") and attached as Confidential Appendix "A"; and
- g. depending upon the specific time period at issue, certain Affected Creditors received greater benefits, and correspondingly those creditors are allocated greater costs.

19. The Monitor is of the view that the Cost Allocation is fair and appropriate for the following reasons:

- a. consideration is given to who benefited from any costs and disbursements;
- b. consideration is given to the contributions of pre-filing accounts receivable, inventory stockpiles, equipment sales and other working capital assets that resulted in net receipts and funded the proceedings. In particular, the collateral of the Affected Creditors secured against current assets, accounts receivable, and inventory, funded a significant degree of the estate costs, as did certain equipment sales;

- c. all Affected Creditors are allocated a portion of general and corporate costs consistent with their respective standing, involvement in the CCAA Proceedings, and potential and actual benefits received;
- d. operating costs have been split between pre and post wind-up of operations to separate the time periods where costs were predominantly incurred to collect on outstanding receivables (including contested lien determinations) and efforts related to the closing of the Mantle Transaction;
- e. the majority of non-specific, general restructuring professional fees have been allocated to ATB as a result of the efforts to collect on receivables, while Fiera and the PMSI Creditors have been allocated certain fees relating to the SISF, equipment sales, and other matters that provided actual and potential benefits to such parties; and
- f. specific costs that were for the sole benefit of one Affected Creditor are allocated to such Affected Creditor and are not borne by others.

20. The Monitor understands that Fiera, ATB and Mantle are supportive of the Cost Allocation.

21. The Monitor provided details of the proposed Cost Allocation to the PMSI Creditors on June 21, 2021 and none of them have raised concerns with the methodology or allocated amounts other than one equipment lender that raised a small matter that resulted in an adjustment of approximately \$1,000.

## **COST ALLOCATION SUMMARY**

22. The Cost Allocation is attached as Appendix “B” and is summarized below:

<b>(S000s)</b>						
<b>Cost Category</b>	<b>Total Disbursements</b>	<b>Allocation to ATB</b>	<b>Allocation to Fiera</b>	<b>Allocation to Mantle</b>	<b>Allocation to Equipment Financiers</b>	<b>Allocation to Equipment Financiers</b>
Operations (net of subsidies)	\$ (2,574)	\$ (1,541)	\$ (356)	\$ (604)	\$ (73)	(73)
Reclamation Obligations	(392)	(196)	(196)	-	-	-
Professional Fees	(4,360)	(2,711)	(1,487)	-	(162)	(162)
Financing	(215)	(207)	(207)	200	-	-
<b>Total Costs (net of subsidies)</b>	<b>\$ (7,540)</b>	<b>\$ (4,655)</b>	<b>\$ (2,246)</b>	<b>\$ (404)</b>	<b>\$ (235)</b>	<b>(235)</b>
<i>Allocation Percentage</i>	<i>100.0%</i>	<i>61.7%</i>	<i>29.8%</i>	<i>5.4%</i>	<i>3.1%</i>	

23. The PMSI Creditors were allocated \$73,000 of operating costs comprised of 10% of employee costs for the pre-wind-up period of May 1, 2020 to September 2, 2020 as JMB employees were involved in collecting, securing, and marketing the PMSI Creditors' equipment during the SISP, and 5% of employee costs thereafter as JMB employees were involved in parking and securing the equipment as well as assisting with the return of such equipment to the PMSI Creditors. PMSI Creditors were also allocated approximately \$162,000 of restructuring professional fees which includes 10% of general restructuring professional fees for the pre-wind-up period and \$24,000 of specific professional fee costs incurred directly in connection with matters concerning the PMSI Creditors. Overall, the PMSI Creditors, as a group, were allocated a total of \$235,000 or 3.1% of the total costs that are subject to the Cost Allocation.

24. The Cost Allocation Agreement also includes additional provisions for future costs incurred to wrap up the CCAA Proceedings. However, no further costs are to be attributed to the PMSI Creditors. With respect to such future costs:

- a. ATB, Fiera, and Mantle shall each be allocated one third (1/3) of all costs incurred in connection with: (i) the termination and conclusion of these CCAA Proceedings; (ii) the Cost Allocation application; and, (iii) the accounting to be provided by the PMSI Creditors;
- b. ATB and Fiera shall each bear the costs incurred in connection with seeking authorization and approval of any distributions, based upon the proportionate benefit received by such Affected Creditors;

- c. Mantle shall be responsible for all costs incurred in connection with amendments to the Amended RVO with respect to gravel inventory; and
  - d. ATB shall be responsible for all costs incurred in connection with: (i) the lien determination application by RBEE; and (ii) any remaining receivable claims held by ResidualCo.
25. As noted above, the Allocation Amount for each of the PMSI Creditors was calculated based on the relative forced liquidation value of each of the PMSI Creditors' collateral using the values contained in the Appraisal. The Allocation Amount for each PMSI Creditor is summarized as follows:

<b>PMSI Creditor</b>	<b>Pieces (#)</b>	<b>% of Appraised Value</b>	<b>Cost Allocation (\$000s)</b>
BMO Transportation Finance	26	49%	\$ 116
Cat Financial	5	12%	27
Ford Credit	9	3%	7
Komatsu	3	15%	34
CWB	4	6%	15
TD	9	11%	25
Volvo Financial	1	4%	10
<b>Total</b>	<b>57</b>	<b>100%</b>	<b>\$ 235</b>

26. The Cost Allocation Order provides for the PMSI Creditors to pay their respective obligations to the Monitor and allows the Monitor to take all such further steps as the Monitor determines are necessary or advisable to implement the Cost Allocation and to collect all amounts due under the Cost Allocation, including reducing or setting off any outstanding amounts owed by an Affected Creditor from any potential distributions to same.

## CASH FLOW VARIANCE ANALYSIS

27. ResidualCo's actual cash receipts and disbursements as compared to the Fourteenth Cash Flow Statement for the period of May 1, 2020 to July 30, 2021, are summarized below:

(\$000's)	Weeks 1 - 65		
	Actual	Forecast	Variance
<b>Operating Receipts</b>			
Collection of Federal Subsidies	\$ 980	\$ 980	\$ -
Collection of Pre-Filing AR - Ellis Don	2,199	2,199	-
Collection of Pre-Filing AR - MD of Bonnyville	3,328	1,928	1,400
Collection of Post Filing AR - MD of Bonnyville	1,566	1,566	-
SISP Proceeds	1,946	1,946	-
Post-filing Gravel Sales	95	95	-
Other Receipts	244	258	(14)
<b>Total Operating Receipts</b>	<b>10,357</b>	<b>8,971</b>	<b>1,386</b>
<b>Operating Disbursements</b>			
Payroll And Source Deductions	(1,808)	(1,808)	-
Royalties	(419)	(419)	-
Fuel	(211)	(212)	-
Repair & Maintenance	(57)	(57)	-
Office Administration	(68)	(68)	-
Insurance & Benefits	(299)	(299)	-
Jobsite Lodging	(21)	(21)	-
Equipment Loan & Lease Payments	(148)	(148)	-
Occupancy	(432)	(432)	-
Other	(97)	(87)	(10)
<b>Total Operating Disbursements</b>	<b>(3,561)</b>	<b>(3,552)</b>	<b>(10)</b>
<b>Non-Operating Receipts &amp; Disbursements</b>			
Interim Financing (Repayment)	(215)	(215)	-
Reclamation Obligations	(392)	(392)	-
Professional Fees	(4,362)	(4,467)	105
<b>Total Disbursements</b>	<b>(8,530)</b>	<b>(8,626)</b>	<b>95</b>
<b>Net Cash Flow</b>	<b>1,827</b>	<b>346</b>	<b>1,481</b>
Opening Cash Balance	-	-	-
<b>Ending Cash</b>	<b>\$ 1,827</b>	<b>\$ 346</b>	<b>\$ 1,481</b>

28. Overall, the Applicants realized a favourable net cash flow variance of approximately \$1.5 million which primarily relates to the receipt of pre-filing MD of Bonnyville accounts receivable that were subject to a lien dispute which have now been resolved as well as timing differences with respect to professional fee payments.

#### **FIFTEENTH CASH FLOW STATEMENT**

29. The Applicants have prepared the Fifteenth Cash Flow Statement for the 83 weeks ending December 3, 2021. A copy of the Fifteenth Cash Flow Statement is attached as Appendix “C”.

30. A summary of the Fifteenth Cash Flow Statement is set out in the table below:

<i>(\$000's)</i>	Weeks 1-65 Actual	Weeks 66-83 Forecast	Total Pro-Forma
<b>Operating Receipts</b>			
Collection of Federal Subsidies	\$ 980	\$ -	\$ 980
Collection of Pre-Filing AR - Ellis Don	2,199	-	2,199
Collection of Pre-Filing AR - MD of Bonnyville	3,328	-	3,328
Collection of Post Filing AR - MD of Bonnyville	1,566	-	1,566
Post-filing Gravel Sales	1,946	-	1,946
SISP Proceeds	95	-	95
Other Receipts	244	578	821
<b>Total Operating Receipts</b>	<b>10,357</b>	<b>578</b>	<b>10,935</b>
<b>Operating Disbursements</b>			
Payroll And Source Deductions	(1,808)	-	(1,808)
Royalties	(419)	-	(419)
Fuel	(211)	-	(211)
Repair & Maintenance	(57)	-	(57)
Office Administration	(68)	-	(68)
Insurance & Benefits	(299)	-	(299)
Jobsite Lodging	(21)	-	(21)
Equipment Loan & Lease Payments	(148)	-	(148)
Occupancy	(432)	-	(432)
Other	(97)	-	(97)
<b>Total Operating Disbursements</b>	<b>(3,561)</b>	<b>-</b>	<b>(3,561)</b>
<b>Non-Operating Receipts &amp; Disbursements</b>			
Interim Financing (Repayment)	(215)	-	(215)
Reclamation Obligations	(392)	-	(392)
Professional Fees	(4,362)	(234)	(4,596)
<b>Total Disbursements</b>	<b>(8,530)</b>	<b>(234)</b>	<b>(8,763)</b>
<b>Net Cash Flow</b>	<b>1,827</b>	<b>344</b>	<b>2,171</b>
Opening Cash Balance	-	1,827	-
<b>Ending Cash</b>	<b>\$ 1,827</b>	<b>\$ 2,171</b>	<b>\$ 2,171</b>

31. The Fifteenth Cash Flow Statement is based on the following assumptions:

- a. Other receipts will include \$343,000 of equipment sales proceeds the are forecast to be released from trust by the Monitor as well as \$235,000 from PMSI Creditors who are forecast to remit their respective obligations pursuant to the Cost Allocation Order, if approved;

- b. Professional fees include accrued fees to date of approximately \$170,000 for the Monitor and its legal counsel as well as the Applicants' legal counsel and estimated costs to conclude the CCAA Proceedings of approximately \$65,000; and
- c. the Fifteenth Cash Flow Statement is presented before consideration of the proposed distributions to ATB and CWB which are described below.

### **DISTRIBUTIONS TO ATB AND CWB**

- 32. As described in the Seventh Report of the Monitor dated September 30, 2020, the Monitor's counsel completed an independent review of the security held by ATB, Fiera and the PMSI Creditors and opined that the security granted to these parties by the Applicants is valid and enforceable, subject to standard qualifications.
- 33. Should the Cost Allocation be approved, the funds available for distribution relate to the sales proceeds of certain collateral against which CWB holds a priority security interest in the amount of \$291,000, as well as the net proceeds of various accounts receivable that are subject to ATB's security.
- 34. The Monitor is proposing to make the following distributions:
  - a. \$291,000 to CWB in respect of the net proceeds derived from the sale of certain CWB collateral, less the proposed cost allocation contribution of CWB of approximately \$15,000; and
  - b. all remaining funds to ATB, subject to a holdback for costs to complete the administration of the CCAA Proceedings.

### **STAY EXTENSION**

- 35. The Monitor has the following comments in support of its application for the Extension Order:



- a. an extension will allow additional time for ResidualCo to recover costs from PMSI Creditors pursuant to the Cost Allocation, administer any approved distributions to CWB and ATB, evaluate any potential additional sources of recoveries, and address any other outstanding matters to wind-up the estate;
- b. the Fifteenth Cash Flow Statement forecasts that ResidualCo will have available liquidity during the period of the proposed extension;
- c. the Monitor has been advised that certain stakeholders, including ATB and Fiera, are supportive of the proposed extension;
- d. ResidualCo will be under the expanded oversight of the Monitor during the period of the extension pursuant to the Enhanced Monitor's Powers Order;
- e. ResidualCo is acting in good faith and with due diligence; and
- f. a Stay Extension until December 3, 2021 is in the best interests of ResidualCo's stakeholders.

## **CONCLUSION AND RECOMMENDATION**

36. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the following orders:

- a. the Action Approval, Stay Extension and Distribution Order; and
- b. the Cost Allocation Order.

\*\*\*\*\*

All of which is respectfully submitted this 16<sup>th</sup> day of August, 2021.

FTI Consulting Canada Inc.  
in its capacity as Monitor of the Applicants

A handwritten signature in blue ink, appearing to read 'Deryck Helkaa', with a large circular flourish at the beginning.

Deryck Helkaa  
Senior Managing Director

A handwritten signature in black ink, appearing to read 'Tom Powell', with a large, stylized initial 'T'.

Tom Powell  
Senior Managing Director

# **Confidential Appendix A**

## Equipment Appraisal

# **Appendix B**

## Cost Allocation

CCAA of JMB Crushing Systems Inc.  
Cost Allocation Methodology (Note 1)  
For the period of May 1, 2020 To May 28, 2021

(\$000s)	Allocation to					Allocation to				Notes
	Cash Costs	ATB	Fiera	Mantle	Equipment Financiers	ATB (%)	Fiera (%)	Mantle (%)	Equipment Financiers (%)	
<b>Operations</b>										
Operating disbursements - pre wind up	\$ (941)	\$ (868)	\$ (73)	\$ -	\$ -	92%	8%	0%	0%	(2)
Operating disbursements - post wind up	(275)	(41)	(69)	(165)	-	15%	25%	60%	0%	(3)
Employee costs (net of subsidies) - pre wind up	(474)	(393)	(33)	-	(47)	83%	7%	0%	10%	(2),(4)
Employee costs (net of subsidies) - post wind up	(517)	(68)	(114)	(309)	(26)	13%	22%	60%	5%	(3),(5)
Head office disbursements and insurance - pre wind up	(149)	(138)	(12)	-	-	92%	8%	0%	0%	(2)
Head office disbursements and insurance - post wind up	(218)	(33)	(55)	(130)	-	15%	25%	60%	0%	(3)
Payment of Reclamation Obligations	(392)	(196)	(196)	-	-	50%	50%	0%	0%	(6)
<b>Total cash flow from operations</b>	<b>(2,965)</b>	<b>(1,736)</b>	<b>(552)</b>	<b>(604)</b>	<b>(73)</b>					
<b>Professional Fees</b>										
Professional fees - general restructuring	(3,936)	(2,648)	(1,127)	-	(162)	67%	29%	0%	4%	(7)
Professional fees - SISP	(135)	(20)	(115)	-	-	15%	85%	0%	0%	(8)
Professional fees - Success Fee	(289)	(43)	(245)	-	-	15%	85%	0%	0%	(8)
<b>Total cash flow from professional fees</b>	<b>(4,360)</b>	<b>(2,711)</b>	<b>(1,487)</b>	<b>-</b>	<b>(162)</b>					
<b>Financing</b>										
Repayment of protective disbursements - ATB	(211)	(106)	(106)	-	-	50%	50%	0%	0%	(9)
Repayment of protective disbursements - CARC (Pre-CCAA)	-	(100)	(100)	200	-	50%	50%	0%	0%	(9)
Repayment of DIP - CARC	(4)	(2)	(2)	-	-	50%	50%	0%	0%	(9)
<b>Total cash from financing</b>	<b>(215)</b>	<b>(207)</b>	<b>(207)</b>	<b>200</b>	<b>-</b>					
<b>Total Costs (net of subsidies) per R&amp;D</b>	<b>\$ (7,540)</b>	<b>\$ (4,655)</b>	<b>\$ (2,246)</b>	<b>\$ (404)</b>	<b>\$ (235)</b>	62%	30%	5%	3%	(10)

**Notes:**

Note 1: The Allocation Methodology provides for the allocation of the individual components giving rise to the costs to the collateral of each of the company's major secured creditor constituencies based on the beneficiary of each transaction.

Note 2: ATB has been allocated the majority of costs pre wind-up as the Company was operating in order to collect outstanding receivables. The Company wound-up its operations in late July 2020 as it completed its obligations under its only remaining contract.

Note 3: The operating costs post wind-up of operations have been allocated pursuant to the Cost Allocation Agreement dated April 26, 2021 among ATB, Fiera and Mantle.

Note 4: Equipment Financiers have been allocated 10% of pre wind-up employee costs as JMB employees were involved in marketing the equipment throughout the sale process.

Note 5: Equipment Financiers have been allocated 5% of post wind-up employee costs as JMB employees were involved in parking and securing the equipment as well as organizing the retrieval of equipment.

Note 6: Reclamation obligations amounts are pursuant to the Cost Allocation Agreement dated April 26, 2021 among ATB, Fiera and Mantle.

Note 7: The majority of general restructuring professional fees have been allocated to ATB as a result of the efforts to collect on receivables, including dealing with contested liens and other matters. Fiera, and to a lesser extent, the Equipment Financiers, have also been allocated general restructuring fees relating to the sale process, equipment sales and other matters.

Note 8: The SISF related professional fees have been allocated pursuant to the Cost Allocation Agreement dated April 26, 2021 among ATB, Fiera and Mantle.

Note 9: Financing related costs have been split evenly between ATB and Fiera as the primary secured lenders in the CCAA Proceedings.

Note 10: The total disbursements are net of approximately \$980,000 in subsidies received during the CCAA Proceedings. The total allocated costs of ATB, Fiera and Mantle are pursuant to an agreement amongst the parties dated April 26, 2021. The total allocated costs of \$404,000 of Mantle is net of the \$200,000 repayment to CARC relating to protective disbursements made prior to the CCAA Proceedings.

## **Appendix C**

Fifteenth Cash Flow Statement  
for the 83 Weeks Ending December 3, 2021

Week #	Weeks 1 - 65	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Week Ending	30-Jul-21	6-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	3-Sep-21	10-Sep-21	17-Sep-21	24-Sep-21	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21	29-Oct-21	5-Nov-21	12-Nov-21	19-Nov-21	26-Nov-21	3-Dec-21	Total	Total	Notes		
<b>Opening Cash</b>	\$ -	\$ 1,827,184	\$ 1,827,184	\$ 1,827,184	\$ 2,169,835	\$ 2,169,835	\$ 2,169,835	\$ 2,405,135	\$ 2,405,135	\$ 2,405,135	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 2,216,404	\$ 1,827,184	\$ -		
<b>Cash Receipts</b>																								
Collection of Canadian Emergency Wage Subsidy	818,112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	818,112	
Collection of Canadian Emergency Rent Subsidy	161,645	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161,645	
Collection of Pre-Filing AR - EllisDon	2,198,780	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,198,780	2
Collection of Pre-Filing AR - MD of Bonnyville	3,327,612	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,327,612	2
Collection of Post-Filing AR - MD of Bonnyville	1,565,745	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,565,745	3
Post-Filing Gravel Sales	95,165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,165	
SISP Proceeds	1,946,188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,946,188	4
Other Receipts	243,546	-	-	342,651	-	-	235,300	-	-	-	-	-	-	-	-	-	-	-	-	-	577,951	821,497	5	
<b>Total Receipts</b>	<b>10,356,793</b>	<b>-</b>	<b>-</b>	<b>342,651</b>	<b>-</b>	<b>-</b>	<b>235,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,951</b>	<b>10,934,745</b>		
<b>Operating Disbursements</b>																								
Payroll And Source Deductions	(1,808,488)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,808,488)	6,7
Royalties	(418,843)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(418,843)	15
Fuel	(211,487)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(211,487)	6
Repair & Maintenance	(56,933)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(56,933)	
Office Administration	(68,171)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(68,171)	6
Insurance & Benefits	(299,243)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(299,243)	8
Jobsite Lodging	(20,766)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,766)	6
Equipment Loan & Lease Payments	(148,227)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(148,227)	9
Occupancy	(431,889)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(431,889)	10
Other	(97,355)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(97,355)	11
<b>Total Disbursements</b>	<b>(3,561,401)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,561,401)</b>	
<b>Non-Operating Receipts &amp; Disbursements</b>																								
DIP Financing (Repayment)	(211,188)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(211,188)	12
CARC Advance (Repayment)	(3,525)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,525)	13
Reclamation Contributions	(391,574)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(391,574)	16
Professional Fees	(4,361,921)	-	-	-	-	-	-	-	-	(188,732)	-	-	-	-	-	-	-	-	-	(45,000)	(233,732)	(4,595,653)	14	
<b>Total Disbursements</b>	<b>(4,968,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(188,732)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,000)</b>	<b>(233,732)</b>	<b>(5,201,940)</b>		
<b>Net Cash Flow</b>	<b>1,827,184</b>	<b>-</b>	<b>-</b>	<b>342,651</b>	<b>-</b>	<b>-</b>	<b>235,300</b>	<b>-</b>	<b>-</b>	<b>(188,732)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,000)</b>	<b>344,220</b>	<b>2,171,404</b>		
<b>Ending Cash Balance</b>	<b>\$ 1,827,184</b>	<b>\$ 1,827,184</b>	<b>\$ 1,827,184</b>	<b>\$ 2,169,835</b>	<b>\$ 2,169,835</b>	<b>\$ 2,169,835</b>	<b>\$ 2,405,135</b>	<b>\$ 2,405,135</b>	<b>\$ 2,405,135</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,216,404</b>	<b>\$ 2,171,404</b>	<b>\$ 2,171,404</b>	<b>\$ 2,171,404</b>		



- 1 The Fifteenth Cash Flow Statement has been prepared to set out the post filing liquidity requirements of ResidualCo during the 18 weeks ending December 3, 2021 under the Companies' Creditors Arrangement Act proceeding (the "CCAA Proceedings") which commenced effective May 1, 2020. On April 27, 2021, the Mantle Transaction closed allowing JMB and 216 to exit the CCAA Proceedings and adding ResidualCo as the sole applicant pursuant to the Mantle Transaction Orders.
- 2 Cash receipts of pre-filing amounts due from Ellis Don and MD of Bonnyville have been determined pursuant to orders from this Honourable Court.
- 3 Post-filing amounts due from MD of Bonnyville relate to the collection of invoiced amounts for work completed.
- 4 SISP Proceeds represent equipment sale proceeds and certain gross proceeds from the Mantle Transaction which closed on April 27, 2021.
- 5 Other receipts includes GST collections as well as other miscellaneous receipts, including the proposed allocated amounts due from Equipment Lenders.
- 6 Active business operations ceased on June 26, 2020 with the completion of the MD of Bonnyville project and the majority of the company's employees were terminated.
- 7 Payroll and source deductions represent payments to employees for wages and vacation pay.
- 8 Insurance & Benefits represent renewal payments for the company's general insurance policy, forecast renewals, workers' compensation benefit premium payments and D&O extended claims reporting period coverage.
- 9 Equipment Loan and Lease payments represent scheduled payments for automotive equipment utilized post-filing.
- 10 Occupancy represents scheduled monthly payments for the company's Edmonton and Bonnyville premises.
- 11 Other disbursements include miscellaneous payments, contingent costs and GST remittances.
- 12 The DIP Financing represents advances net of repayments for DIP funding provided by ATB during the CCAA proceedings as authorized in the Amended and Restated CCAA Initial Order dated May 11, 2020.
- 13 The CARC Advance represents advances and repayments under the interim revolving credit facility provided by Canadian Aggregate Resources Corporation ("CARC") in accordance with the terms of the commitment letter dated April 30, 2020 between CARC, JMB and 216 as authorized in the Amended and Restated CCAA Initial Order dated May 11, 2020.
- 14 Professional fees relate to the Company's legal counsel, the Monitor, the Monitor's legal counsel, sale consultant, operational consultant, Chief Restructuring Advisor and consultants to assist with AEP compliance matters.
- 15 Royalties represent private and public land aggregate royalty payments and land rental costs.
- 16 Reclamation contributions represent amounts transferred from the Monitor's Trust Account to satisfy each of ATB and Fiera's reclamation obligations pursuant to the Reclamation Escrow Agreement.