

COURT FILE NO. 2503 00016

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

Clerk's Stamp

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

AND IN THE MATTER OF **KMC MINING CORPORATION**

DOCUMENT **AFFIDAVIT #2 OF DANIEL KLEMKE**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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AFFIDAVIT OF DANIEL KLEMKE
SWORN ON THE 21st DAY OF JULY, 2025

I, Daniel Klemke, of the City of St. Albert, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the President and CEO of KMC Mining Corporation ("**KMC**" or the "**Applicant**"), and as such, have personal knowledge of the matters hereinafter deposed to save where:
 - a) stated to be based upon information and belief and where so stated I do believe the information to be true; or
 - b) I have informed myself from books or records maintained by KMC, and where I have done so, these books or records were part of KMC's ordinary books or records and any entries in these books or records were made in the usual and ordinary course of KMC's business.
2. I am authorized to make this Affidavit on behalf of KMC.
3. Unless otherwise stated, all monetary references in this Affidavit are references to Canadian dollars.

A. Relief Sought and Introduction

4. I swear this Affidavit in support of an application by KMC for an order extending the stay of proceedings against KMC, which currently expires on July 31, 2025, to and including November 30, 2025.
5. This Affidavit provides an overview of the CCAA proceedings, focused on germane updates since my May 9, 2025 Affidavit ("**Klemke Affidavit #1**") and should be read in conjunction with the Klemke Affidavit #1, and as needed, with Affidavits of Bryn Jones sworn April 7, 2025 ("**Jones Affidavit #3**"), January 14, 2025 ("**Jones Affidavit #2**") and December 31, 2024 ("**Jones Affidavit #1**").
6. Unless otherwise defined herein, capitalized terms used in this Affidavit shall have the meanings ascribed to them in Jones Affidavit #1.

B. Status of Proceedings

7. On January 10, 2025, Justice Lema granted KMC's requested relief, in all respects, to have its Notice of Intention of Proceedings under the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") taken up and continued under the provisions of the *Companies Creditors Arrangement Act*, RSC 1985, c-36 as amended ("**CCAA**") (the "**Initial Order**"). The Initial Order also included a declaration that KMC and its collective former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the *Wage Earner Protection Program Act (Canada)*, SC 2005, c 47, s 1 ("**WEPPA**") applies (the "**WEPPA Declaration**").
8. Concurrent with the granting of the Initial order, the Court granted an Order approving a Sales and Investment Solicitation Process (the process is herein called the "**SISP**" and the Order the "**Sales Process Order**") through which KMC proceeded to attempt to monetize its assets in an effort to pay down its indebtedness.
9. On January 20, 2025, Justice Neilson granted KMC's application for an Amended and Restated Initial Order ("**ARIO**"), which extended the stay of proceedings until and including June 16, 2025. The ARIO included approval of a Key Employee Retention Plan ("**KERP**").
10. Concurrent with the granting of the ARIO, the Court granted an Order establishing a process for the sale or return of KMC's leased equipment (the "**Lease Equipment Return Process Order**").

11. Pursuant to the SISP, the marketing period was launched by the sales agent, Ernst & Young Orenda Corporate Finance Inc and Ernst & Young Corporate Finance (Canada) Inc.
12. The only party providing a deposit in accordance with the requirements of the SISP was 2122256 Alberta Ltd o/a Heavy Metal Equipment & Rentals (the "**Purchaser**"), who made the *en bloc* offer for substantially all of the KMC assets and executed an Asset Purchase Agreement ("**APA**") in respect of same (the "**Transaction**").
13. While the purchase price of the assets was insufficient to retire the indebtedness to KMC's primary secured lender (the "**Syndicate**") or repay in full the amounts owing to equipment lessors, KMC determined that the Purchaser's offer represented the greatest return for stakeholders at the time.
14. On April 17, 2025, the Court granted a Sale Approval and Vesting Order, which approved the Transaction (the "**SAVO**").
15. Concurrent with the granting of the SAVO, the Court granted an Order authorizing and directing the Monitor to make interim distributions of up to 66 2/3% of the net sale proceeds from the Transaction to those secured creditors whose collateral was sold as part of the Transaction.
16. No party opposed the Transaction. The Transaction had the support of the Syndicate, various equipment lessors whose equipment was included in the Transaction and the Monitor.
17. The Transaction closed on May 2, 2025, and sale proceeds more than \$100 Million were wired to the Monitor upon closing of the Transaction.
18. On May 23, 2025, Justice Harris granted KMC's application which extended the stay of proceedings to and including July 31, 2025 (the "**Second Extension Order**").
19. Concurrent with the granting of the Second Extension Order, the Court granted an order approving the Monitor's proposed cost allocation among the secured creditors and authorized and directed the Monitor to make a further distribution of the funds held by it to the secured creditors whose collateral was sold as part of the Transaction.
20. KMC seeks an extension of the stay of proceedings to and including November 30, 2025.

C. Extension of the Stay of Proceedings Continues to be Appropriate

21. While substantially all the assets and equipment of KMC were sold in the Transaction, there remain numerous items KMC is actively working on prior to concluding these CCAA proceedings. Those are detailed below.

i. Employees and Current Cash-Flow Generating Operations

22. As described within the Jones Affidavit #3, as of April 4, 2025, and prior to the Transaction closing, KMC employed 92 full-time employees or subcontractors, of which 14 were located at its head office in Edmonton, Alberta, 40 on a labour supply project in British Columbia, and 38 field employees working in Fort McMurray or a field office location maintained there.
23. With the Transaction closed, and most of KMC's current operations having been wound down, or are in the process of being wound down, KMC took steps to reduce its workforce.
24. At present time KMC has approximately 6 employees full and part time in Edmonton and approximately 20 on labour and supply contracts in British Columbia (Hudbay), and in Alberta with the Purchaser.
25. With respect to one labour and supply contract, as mentioned in my prior Affidavit, KMC has in place a purchase order with Hudbay Minerals at its copper mountain mine in British Columbia to supply equipment operators to the site. That purchase order commenced at or around the date of the Initial Order and is for a term which has currently been extended to September 8, 2025, which is the third extension to the Hudbay work. KMC anticipates revenue of approximately \$750,000 respecting the remaining work.

ii. Suncor Claims

26. As described within previous affidavits, the circumstances necessitating these CCAA proceedings arose due to several factors, though chief among those factors being the sudden and unexpected cancellation of substantial scopes of work under contracts between KMC and Suncor Energy Inc. ("**Suncor**") or affiliates.
27. Prior to these CCAA proceedings, Suncor was KMC's most significant, if not only, customer. KMC had been providing contracting mining services to Suncor for several decades.

28. Suncor's contracting practice generally, and with KMC specifically, utilizes a master Multiple Use Agreement ("**MUA**") which sets out general terms and conditions, and allows for the entering of multiple sub-agreements, contracts or purchase orders under the umbrella of the MUA for any number of different projects or scopes of work.
29. The outline of the issues between KMC and Suncor have been presented in previous affidavits sworn in these proceedings, and particularly Jones Affidavit #1. KMC believes it has substantial claims against Suncor which can be broadly characterized as follows:
- a) a claim for the impacts of adverse site conditions and extended hauling distances on the 2024 Fort Hills Overburden scope of work (the "**Condition Impact Claim**");
 - b) a claim for demobilization costs as permitted under the MUA and applicable purchase order for the 2024 Fort Hills Overburden scope of work (the "**Demobilization Claim**");
 - c) a claim for damages arising from the cancelation of the 2024 Fort Hills Overburden scope of work for convenience (the "**Overburden Cancellation Claim**");
 - d) a claim for damages arising from the cancelation of the waste stream and rejects scope of work (the "**Rejects Cancellation Claim**"); and
 - e) a claim for damages for the breach of the Settlement and Release Agreement arising from the cancellation of the 2019 Overburden Removal Contract (the "**Breach of Settlement Claim**").
30. KMC's legal counsel has conducted a high-level overview of the potential claims against Suncor for, *inter alia*, the circumstances described above. That evaluation has commenced and is ongoing. Thus far, the combined damage estimate at this time is in the tens of millions of dollars, with further evaluation ongoing that could materially increase said estimate.
31. KMC is currently in discussions with litigation funders and is assessing its options for pursuit of the claims against Suncor. If successful, even in part, the claims against Suncor, and recovery therefrom, would have a material, positive outcome for KMC's stakeholders.

iii. **WEPPA and Unionized Employees**

32. Between January through to June 2025, KMC has received four (4) grievances from the International Union of Operating Engineers (the "**Union**").
33. The grievances allege that certain Union-members, and former KMC employees, did not receive termination pay pursuant to the *Employment Standard Code* (or in one case, a claim for four days' pay). The grievances also claim for "redress", which is the Union's claim for Union dues and other fees otherwise payable to the Union while an employee is paid.
34. A copy of the Collective Bargaining Agreement ("**CBA**") in effect at the time with the Union is attached and marked as **Exhibit "A"**.
35. In KMC's history with the Union, at no time when KMC conducted layoffs of unionized employees was KMC subjected to grievances for payment of termination pay under the *Employment Standards Code*. KMC has always been of the view, backed by historic practices over decades, that it was part of the construction industry, and the CBA is consistent with that view: the Union is the hiring hall. KMC makes a request for workers and the Union dispatches them. A commonly applied rule of the construction industry is that construction employees are not entitled to notice of termination or pay in lieu of notice of termination. When there are layoffs, the workers in effect go back to the hall to seek other work with other employers. There are provisions in the CBA to address this issue. The Union is now taking a different position and have issued the grievances.
36. While at this time KMC does not agree that amounts are owed to the grieving former employees, KMC is engaging with the Monitor to determine how to best address the Union grievances. KMC's view is that the unionized employees grieving KMC, if they are entitled to payment, would fall within the ambit of the WEPPA Declaration which was granted in these CCAA proceedings as part of the Initial Order and ARIO, and restated via Order of Justice Mah of April 17, 2025.

iv. Security Deposit re: Lease of 5809 – 98 Street, Edmonton

37. KMC formerly leased the property at 5809 – 98 Street in Edmonton (the “**Lease**”), a commercial building/shop, from Gellarne Holdings (2001) Ltd. (“**Landlord**”). KMC, with the Monitor’s approval, issued a Notice of Disclaimer of the Lease on March 24, 2025, which is attached as **Exhibit “B”**.
38. The Landlord did not respond to the Notice of Disclaimer and the Lease is disclaimed. All amounts owing by KMC to the Landlord up to the Disclaimer were, to KMC’s knowledge, paid.
39. The Lease is attached as **Exhibit “C”**. At the time of entering into the Lease and pursuant to section 6.1, KMC provided the Landlord a Deposit in the amount of \$26,250.00 (inclusive of GST). One half of that sum (\$13,125.00) was for the first month’s rent (including GST, being the \$12,500.00 monthly rent plus GST). The remaining half, \$13,125.00, was held as a security deposit (the “**Security Deposit**”).
40. KMC has demanded return of the Security Deposit from the Landlord, as seen from the letter dated June 2, 2025 attached as **Exhibit “D”**. To date, the Landlord has not responded, nor has the Landlord returned the Security Deposit.
41. The premises subject to the Lease were left by KMC in substantially the same condition as when KMC first took possession. Attached as **Exhibit “E”** are pictures of the premises taken contemporaneously with KMC moving out. KMC is not aware of any reason or entitlement the Landlord has to retain the Security Deposit.

v. Assignment of Insurance and Warranty Claim re: 2022 Liebherr Dozer

42. KMC leased a 2022 Liebherr PR776 (s/n 25121) dozer (the “**Dozer**”) from Deutsche Leasing Canada Corp. (“**Deutsche**”).
43. The Dozer was subject to a fire in January 2024. An insurance claim was made to KMC’s insurer with respect to the Dozer. A copy of the Certificate of Insurance related to the Dozer, as well as the first page of the insurance policy collectively (the “**Policy**”) is attached as **Exhibit “F”**.
44. The Dozer also had a warranty from the manufacturer, Liebherr, which is attached as **Exhibit “G”** (the “**Warranty**”).

45. The insurance adjuster on the Dozer insurance claim is ClaimsPro (claim #24110-5339). The current status of the insurance claim is that the insurer and Liebherr are discussing whether the claim is to be covered by the Policy or Warranty. A recent update provided by the insurance adjuster also advised that the Dozer is far from a total loss and should be repairable for a few hundred thousand dollars.
46. The amount KMC owes on the Dozer lease to Deutsche is approximately \$997,000. The ultimate outcome of the insurance or warranty claim, best case, is repair of the Dozer (whether through insurance proceeds or manufacturer warranty). Alternatively, if there were insurance proceeds as opposed to repair, the proceeds would not come near covering the amount KMC owes to Deutsche under the Dozer lease, a copy of which is attached as **Exhibit "H"** and provides that any insurance proceeds are first to Deutsche's benefit.
47. There is no monetary benefit to KMC in continuing to spend resources on the Dozer insurance (or warranty) claim. Therefore, KMC seeks that the Policy and Warranty, and all claims related to the Dozer under the Policy or Warranty, be assigned to Deutsche.
48. To the extent necessary, KMC will cooperate and provide any information or documents needed in furtherance of the insurance or warranty claim, though KMC is unaware of any further information needed from KMC at this stage.
49. There are no monetary defaults by KMC under the Policy or Warranty as related to the Dozer.
50. I am also advised by my counsel that Deutsche's counsel has advised that Deutsche is agreeable to the assignment.

vi. Miscellaneous Items

51. The following is a non-exhaustive list of other matters which KMC is also working on as part of its wind down process:
 - a) KMC is working to wind-up its non-union staff's pension plan with Canada Life/ London life;
 - b) KMC is working with the Workers' Compensation Board ("**WCB**") to reconcile 2024 accounts based on a reduced actual payroll than was originally forecasted, reconciliation of premiums paid

and credits owed, and to finalize rebates from WCB which KMC estimates to be in excess of \$200,000; and

- c) KMC is both a Plaintiff and Defendant in actions related to a new Komatsu 830E that KMC rented from SMS Equipment (“SMS”), which was destroyed by fire within 10 hours of commencing work. While the action of SMS against KMC is currently stayed, KMC and its counsel are evaluating as to what potential monetary benefit KMC may have, if KMC pursues a claim (whether insurance or litigation). KMC suffered a loss of approximately \$600,000 related to loss of KMC property (tires) as well as cost of removing burned materials from the site where the fire occurred.

52. The maintenance of the stay is important to enable KMC to continue to effectively wind down its operations and develop a plan for its exit from these proceedings without regard to having to advance defences and collection efforts respecting claims of creditors.


D. Proposed Optional Distribution

53. KMC understand that the Syndicate is seeking the flexibility to receive a further distribution of up to \$3.5 Million in the aggregate, after consultation with the Monitor. The projected cash flow included within the Monitor’s report does support the ability of KMC to do so if handled in a way which does not adversely affect ongoing operations.


E. Conclusion

54. KMC continues to, as it has throughout these entire proceedings, act in good faith and with due diligence.
55. In the circumstances, the extension of the stay of proceedings to November 30, 2025 is appropriate in the circumstances.


SWORN BEFORE ME at St. Albert,)
 Alberta, this 21st day of July, 2025)


 Commissioner for Oaths in and for Alberta

Hamza Mandour
Student-At-Law


 DANIEL KLEMKE

This is **Exhibit "A"** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.

A handwritten signature in black ink, appearing to read 'Hamza Mandour', written over a horizontal line.

A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law

COLLECTIVE AGREEMENT

Between

KMC MINING CORPORATION



and

**INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL UNION NO. 955**



EFFECTIVE:

January 2nd, 2022 – April 30th, 2025

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COLLECTIVE AGREEMENT

between

KMC MINING CORPORATION
(hereinafter referred to as the Employer)

and

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 955
(hereinafter referred to as the Union)

ARTICLE 1:00 PURPOSE

- 1:01 The purpose of this Collective Agreement shall be to record the agreement of the parties arrived at through negotiations as to terms and conditions of employment relating to rates of pay, hours of work and other working conditions of employees, to provide a method of settlement for disputes and grievances and to maintain a harmonious relationship between the Employer and its employees.
- 1:02 In this Collective Agreement, words using the masculine gender include the feminine and neuter.

ARTICLE 2:00 SCOPE

- 2:01 The Employer recognizes the Union as the sole and exclusive bargaining agent for employees covered under this Collective Agreement with respect to rate of pay, hours of work and other working conditions.
- (a) The Collective Agreement shall cover all employees of the Employer except Supervisory, Training Personnel, office and clerical engaged in Oilsands mine development, operation, maintenance and reclamation.
- 2:02 If any provision of this Collective Agreement is in conflict with the laws or regulations of Canada or Alberta, such provision shall be superseded by such law or regulation. Unless prohibited from doing so by such law or regulations, or by a ruling of any Court or Board of competent jurisdiction which has declared any provision of the Collective Agreement invalid or inoperable, the Employer and the Union, within fifteen (15) days of notice of either upon the other, shall commence negotiations, the sole and restricted purpose of which shall be to provide adequate legal replacement of such provision. In the event that such negotiations do not result in agreement upon legal replacement for such provision within seven (7) days of commencement of negotiations or such longer period as may be mutually agreed between the parties, the matter shall be resolved in accordance with Article 6:00.

ARTICLE 3:00 MANAGEMENT RIGHTS

3:01 Subject to the terms of this Collective Agreement, the Union recognizes the right of the Employer to the management of its operations and direction of the working forces including the right hire and select employees, promote or discharge any employee for just cause and further recognizes the right of the Employer to operate and manage its business in accordance with its commitments and responsibilities including methods, processes and means of production or handling.

(a) On projects where circumstances have necessitated the hiring of Local 955 permit holders and layoffs take place, the following procedures and sequence for layoff shall be followed provided the remaining employees are qualified to perform the work required:

- (1) Permit holders first;
- (2) Travel cards next, and;
- (3) Good standing members last.

Good standing members will be laid off based on discipline record and positive/negative documented safety performance, skill, attendance and workplace behavior.

(b) When there is a temporary slowdown of work, good standing members shall be retained on the projects, and travel cards and permits shall be sent home unless all good standing members are working, provided the remaining employees are qualified to perform the work. The Union, on a monthly basis, will provide the employer and Job Steward(s) with an updated union status report for the employer to rely on in circumstances where temporary slowdowns of work occur.

3:02 The Employer shall have the right to name-hire IUOE Local 955 Members who have been employed by the Employer in the previous twenty-four (24) months from the date of hire.

3:03 In the event that a project's conditions place the Employer in an uncompetitive position with alternate unions or non-Union bidders, or with the owner's forces, and impact the competitiveness of the Employer relative to labour terms and conditions, this Collective Agreement may be altered accordingly by mutual agreement of the Union, following consultation with the Union members and the Employer's negotiating committee, based on a mutually agreed time period. In addition, the Union agrees that in the event the Union provides a competing contractor more competitive terms, conditions or rates of pay, those same terms, conditions or rates of pay will apply to this Employer.

The Union warrants that this Collective Agreement will not come into competition with any other International Union of Operating Engineers Local Union No. 955 Collective Agreement for the same work.

- 3:04 Non-bargaining unit employees shall not perform work normally assigned to employees of the bargaining unit. However, it is recognized that there will be occasions such as in emergency situations or for purposes of investigation or inspection, instruction or demonstration purposes, in experimental and developmental work, critical start-up or shut down periods or to improve productivity and effectiveness of the operation that it may be necessary from time to time for non-bargaining unit employees to do work in cooperation with bargaining unit employees. However, if a non-bargaining unit employee is required in any of the above circumstances, it is understood that no bargaining unit employee shall be displaced as a result, nor suffer any loss of wages from regularly scheduled hours. The Job Steward on site will be notified.
- 3:05 It is agreed that any of the terms of this Collective Agreement may be modified on a project-by-project basis by mutual written agreement of both parties. Where project-specific terms have been agreed to for a specific project, they shall be binding only on that project and subject to renewal for subsequent projects.
- 3:06 This Collective Agreement represents the entire agreement between the parties, and there are no enforceable oral or other agreements (written or otherwise) or practices which are not contained herein.

ARTICLE 4:00 UNION RIGHTS

- 4:01 The Union and Employer will cooperate in maintaining a desirable and competent work force. To that end,
- (a) The Employer agrees to provide (on an annual basis or upon termination of employment) the Union with a detailed copy of the employee qualification, experience and performance information.
 - (b) The Union will ensure that members dispatched will have their work experience and qualifications verified and meet Employer job posting requirements.
 - (c) The Union also commits to resolve work performance issues prior to members being dispatched.
 - (d) The Employer will give preference and priority to qualified Union members in good standing who are competent and able to meet all reasonable requirements of the Employer.
 - (e) The Union agrees that it will provide evidence of a prospective employee's qualifications prior to consideration for employment with the Employer.
 - (f) If the Union fails to provide a list of Union members who meet all of the Employer's requirements within twenty-four (24) hours of a request being

made, the Employer may hire from any source.

- (g) The Employer agrees that those hired outside of the Union will have met the Employer's job posting requirements. In the event that all positions are not filled from the original posting, the Employer may reduce the requirements and repost with the Union.
- (h) Employees hired by the Employer must register with the Union and obtain a dispatch slip prior to the commencement of work. Upon meeting the requirements of the posted position, the Union will issue a dispatch slip within forty-eight (48) hours (excluding Saturdays, Sundays and Holidays).
- (i) Local Residents shall be given preference of employment on projects within a reasonable daily commuting distance from the City of Fort McMurray. For purposes of this Clause, the only existing projects considered within reasonable daily commuting distance are Syncrude Base Plant and Suncor Base Plant. Local residents shall be defined as residing within the Regional Municipality of Wood Buffalo. In the event the Employer returns an employee to the Union who was deemed unqualified for his position, the Employer will provide the Union with information outlining the reasons for such determination.
- (j) All persons employed as operating engineers shall, as a condition of employment, apply to become members of the Union within four hundred (400) hours worked after commencement of employment or be replaced by a competent Union worker when available.

4:02 Employees shall be subject to a mandatory probationary period of four hundred (400) hours. This period may be extended by mutual agreement of the Employer and the Union where it is deemed by the Employer that additional time is required to assess an employee's competency or fit with his role. The Union agrees that such extension will not be unreasonably withheld. Employees rehired within twelve (12) months will not be required to serve an additional probationary period; however, employees who return after twelve (12) months will be required to complete another four hundred (400) hour probationary period.

4:03 All employees shall be required to pay an amount equal to Union dues during their term of employment. The Employer shall deduct this amount from the employee's wages by the first payday after commencement of employment and thereafter on the first payday of each month. All dues so collected shall be remitted to the Union, together with a list of employees concerned, not later than the fifteenth (15th) day of the month following such deduction.

4:04 The Employer agrees to deduct all Union dues in excess of the normal monthly Union dues, fees and assessments as evidenced by a signed authorization from an employee covered by this Collective Agreement and forward such monies once each month to the Union with a list showing the amount deducted for each person,

said monies to be remitted not later than the fifteenth (15th) day of the month following such deduction.

4:05 Job Stewards

The Union may appoint one (1) of its members who is a qualified worker in their classification as Job Steward for each shift. The Union will notify the Employer in writing the names of the Job Stewards appointed. The Employer and the Union will endeavor to ensure that there is a Job Steward working on each crew of six (6) or more members when available, provided that the Job Steward is a qualified Steward and is qualified to perform the work required.

- (a) The Union will notify the Employer in writing the names of the Job Stewards appointed. Job Stewards shall be recognized by the Employer and shall be treated fairly and impartially. Stewards shall be allowed time during working hours to perform the work of the Union but shall not abuse that privilege. There shall be one (1) Chief Job Steward appointed by the Union per site.
- (b) Job Stewards will be selected based on their leadership qualities, maturity, ability to problem-solve, positive attitude and to uphold the spirit of cooperation between the Employer and the Union. It will be mandatory that all Job Stewards appointed must take the Job Steward Course, provided for by the Union.
- (c) The Chief Job Stewards shall receive a premium of one dollar (\$1.00) per hour for all hours worked. This premium does not attract overtime.
- (d) Provided he is qualified, the Chief Job Steward(s) will be the last employee laid off in their classification. Shift Job Stewards will be one of the last two (2) employee(s) laid off in their classification.

4:06 The Business Agent is to have access to all projects covered by this Collective Agreement after first notifying the Superintendent or person in charge, having due regard to project rules and safety regulations including the client owner's site access rules. The Business Agent shall not interfere with the progress of the work.

- (a) The Union shall have the right to post notices at the designated places on the project. All such notices must be signed by the proper officer of the Local Union and submitted to the Management of the employer.

4:07 A copy of this Collective Agreement shall be provided by the Union to all employees covered by this Collective Agreement.

ARTICLE 5:00 SUB-CONTRACTING

- 5:01 Definition of Sub-Contractor: A Sub-Contractor is a person or contractor who performs work at the project under a sub-contract from the Employer and that work, if done by the Employer, would have come under the terms of this Collective Agreement.
- 5:02 It is recognized by the Union that circumstances may require the use of sub-contractors on work covered under the terms of this Collective Agreement. The Employer agrees that if such circumstances arise, they will notify the Union prior to the letting of any sub-contracts. Notification will be in the form of written notice to the Job Steward or Business Agent.
- 5:03 It is agreed that Warranty and Manufacturer's service work is excluded from the terms and conditions of this Collective Agreement. The parties agree that training opportunities for Local 955 trades and service personnel will be utilized on such work whenever possible.
- 5:04 Survey work will be excluded from the sub-contracting clause.
- 5:05 The Employer has the right to subcontract Direct Service Providers (DSPs) who are competent and qualified heavy-duty mechanics and perform specialized work. Specialized work in this context refers to a DSP's ability and technical aptitude to troubleshoot, diagnose and repair work that would normally be performed by a specialized and trained Original Equipment Manufacturer (OEM) technician.
- 5:06 With the exception of warranty and manufacturing repair and/or maintenance work, and specialized work, tools and equipment provided and performed by DSPs, sub-contractors will be laid off before good standing qualified members. In the event of layoffs within the maintenance department, temporary or otherwise, the Union and the Employer will meet to review existing subcontractors and potentially affected Union members.
- 5:07 Where a qualified Journeyman employee directly employed by the Employer wishes to become a Direct Service Provider (DSP), the employer must wait at least sixty (60) calendar days before contracting the Journeyman to become a DSP.
- 5:08 Where the employer employs a mechanic or welder with rig, it is understood that the arrangements for the use of the rig do not fall under terms of this collective agreement.

ARTICLE 6:00 GRIEVANCE PROCEDURE

- 6:01 All differences between the Employer and the Union concerning the interpretation, application, operation and/or an alleged violation of this Collective Agreement shall be settled without stoppage of work or lockout, and the dispute shall be submitted

in writing within ten (10) days and then referred to paragraph (d) below.

In the event of any dispute arising out of this Collective Agreement between the Employer and an employee, the following procedure will be followed:

- (a) An aggrieved party shall, within ten (10) days of the alleged violation, submit their complaint in writing to the Steward who shall endeavor to settle the complaint between the employee and the employee's immediate supervisor.
- (b) If the complaint is not then settled within five (5) days (excluding Saturdays, Sundays and Holidays), it may be referred to the Project Superintendent and an official representative of the Union.
- (c) If the complaint is not then settled within five (5) days (excluding Saturdays, Sundays and Holidays), it shall be referred to the Management of the Employer involved and the Business Agent of the Union.
- (d) If the complaint is not then settled within seven (7) days (excluding Saturdays, Sundays and Holidays), the parties will request in writing for a meeting to be held between the designated Union representatives and designated Employer representatives together with the grievor involved when applicable. The meeting is to be booked within five (5) days (excluding Saturdays, Sundays and Holidays) of the written request at the earliest availability of the involved parties.
- (e) If the complaint is not resolved during the meeting, it shall be referred to an Arbitration Board within five (5) days (excluding Saturdays, Sundays and Holidays) from the meeting date. By mutual consent of the parties, this time limit may be extended. The Arbitration Board shall be comprised of one (1) member appointed by the Employer, one (1) member appointed by the Union and a neutral Chairperson appointed by the members. Each party shall bear the expense of their appointee and the expense of the Chairperson shall be shared equally by the parties.
- (f) If a grievance is not submitted or advanced from one step to another within the time limits, the grievance shall be deemed to be abandoned and all rights of recourse to the grievance procedure shall be at an end, except the Union and the Employer may mutually agree to extend the time limits in writing.
- (g) If either party fails to appoint a member, or if the appointed members cannot agree on a neutral Chairperson, such appointments shall be made in accordance with the *Alberta Labour Relations Code*.
- (h) The Arbitration Board shall be vested with the authority to decide whether any matter referred to it is arbitrable. It shall make its decision within fourteen (14) days of the appointment of the Chairperson. By mutual consent of the parties, the time limits may be extended.

The Arbitration Board shall not alter, amend or change the terms of this Collective Agreement. The majority decision of the Arbitration Board shall be final and binding upon both parties, but if there is no majority award, the decision of the Chairperson shall be the award.

6:02 As an alternative procedure to that outlined, commencing with Clause 6:01 (d) the following procedure shall be used if mutually agreed in writing between the Employer and the Union.

- (a) The steps prescribed in Clause 6:01 (a), (b), (c) and (d) shall apply.
- (b) If the matter of complaint is not then settled within seven (7) days (excluding Saturdays, Sundays and Holidays), it shall be referred to a single Arbitrator who shall be selected and agreed upon by the Employer and the Union.
- (c) Should the Employer and the Union fail to agree on the appointment of a single Arbitrator, the appointment shall be made by the Minister of Labour.
- (d) The single Arbitrator shall have the same authority as an Arbitration Board and shall make his decision within fourteen (14) days of his appointment. By mutual consent of the parties, the time limits may be extended.
- (e) The costs of and in connection with the single Arbitrator shall be borne equally by the Employer and the Union.

The single Arbitrator shall not alter, amend or change the terms of this Collective Agreement. The decision of the Arbitrator shall be final and binding on both parties.

6:03 The parties may, upon mutual agreement, refer any outstanding grievance to the Canadian Joint Grievance Panel process as outlined in the agreed Procedures for Schedule 1 and Schedule 2 hearings that form a part of this Collective Agreement. The Panel decision shall be final and binding on the Parties. The Panel shall not have the authority to change this Collective Agreement or to alter, modify or amend any of its provisions. However, the Panel shall have the authority to dispense of a grievance by any arrangement that is deemed just and equitable. It is further agreed that in the event the Panel is unable to render a majority decision that the grieving party may refer the matter to a Schedule II Hearing under the Panel process, refer the matter back to the arbitration process as outlined above in this Article or withdraw the grievance.

6:04 A probationary employee's discipline or termination may be the subject of a grievance up to step 3 of Clause 6:01 of the grievance procedure, and the disposition of the grievance shall be final and binding at this step. The discipline or termination of a probationary employee shall not be subject to Arbitration.

ARTICLE 7:00 RATES OF PAY AND CLASSIFICATIONS

7:01 New Classifications: When the Employer utilizes employees not covered by existing classifications, the Employer will establish a rate for such classification and notify the Union in writing within two (2) days of employment. If the Union disagrees with the rate, the proper Union representatives will advise the Employer in writing within fifteen (15) days from the date of the notification requesting negotiation. In the event that such negotiations do not result in agreement upon the classification within seven (7) days of commencement of negotiations or such longer period as may be mutually agreed between the parties, the matter shall be resolved by an Arbitration Board as provided in the grievance procedure. The wage rate established shall become effective on the date upon which notice is given to commence negotiations.

7:02 Classifications:

TRADE		
<i>Ticketed tradesperson employed as:</i> <ul style="list-style-type: none"> Heavy Duty Equipment Technician Automotive Technician 	<ul style="list-style-type: none"> Welder Machinist 	<ul style="list-style-type: none"> Heavy Equipment Electrician Crane/Picker Operator over 10 ton

GROUP 1		
<ul style="list-style-type: none"> Shovel, Frontend Loader, over 10 cu. yd. capacity Excavator over 3 cu.yd. capacity Senior Surveyor 	<ul style="list-style-type: none"> Operators on loading equipment with bucket capacities over 15 m³ shall be paid an additional one dollar (\$1.00) per hour over the contract group rate 	<ul style="list-style-type: none"> Finish Operator (As approved by Management) Serviceman 1 Tire Person 1 shall be paid an additional one dollar (\$1.00) per hour over the contract group rate

GROUP 2		
<ul style="list-style-type: none"> Shovel, Clam up to and including 10 cu. yd. capacity Motor Scraper Frontend Loader, 1 cu. yd. and up to 10 cu. yd. capacity Intermediate Surveyor Qualified bus and van drivers (when transporting employees) Serviceman 2 Tire Person 2 	<ul style="list-style-type: none"> Grader Tractor with attachments such as Dozer, Scraper, larger than D8 or equivalent Crane/Boom Truck up to 10 ton Excavator up to and including 3 cu. yd. capacity 	<ul style="list-style-type: none"> Crawler Tractor with attachments such as Dozer, Scraper, up to and including larger than D8 Lowboy Highboy Ticketed Partsperson (Warehouse Technician 1) Skilled Maintenance Yardperson/Facilities Technician

GROUP 3		
<ul style="list-style-type: none"> Fixed Frame and Articulating Dump Truck and Off Highway Vehicles, 60 ton and over 	<ul style="list-style-type: none"> Crawler Tractor with attachments such as Dozer, Scraper, up to and including larger than D4 to D8 or equivalent 	

GROUP 4		
<ul style="list-style-type: none"> Crawler Tractor with attachments such as Dozer, Scraper, up to and including D4 or equivalent Frontend Loader, up to 1 cu. yd. capacity Custodian Fuel and Lube Trainee 	<ul style="list-style-type: none"> Fixed Frame and Articulating Dump Truck under 60 ton capacity Compaction equipment with blade Junior Surveyor Facilities Technician Helper 	<ul style="list-style-type: none"> Serviceman 3 Steam Cleaner Tire Technician Person 3 Warehouse Technician 2 Intermediate Maintenance Yardperson Mobile Steam Cleaner

GROUP 5		
<ul style="list-style-type: none"> Tow tractor Compaction equipment without attachments (packers) 	<ul style="list-style-type: none"> Forklift Flagperson Skilled Ground Worker Warehouse Technician 3 	<ul style="list-style-type: none"> Entry Level Steam Cleaner/Stationary Steamer Skilled Maintenance Labourer

7:03 Hourly Wage Rates:

The following wage rates shall be effective for the duration of this Agreement.

UPON RATIFICATION		Trade	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate		\$44.20	\$40.67	\$38.69	\$36.51	\$33.57	\$24.41
Annual Increase	2%	\$0.88	\$0.81	\$0.77	\$0.73	\$0.67	\$0.49
New Base Rate		\$45.08	\$41.48	\$39.46	\$37.24	\$34.24	\$24.90
Pension	10%	\$4.51	\$4.15	\$3.95	\$3.90	\$3.42	\$2.76
H&W	\$0.05	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Training	\$0.01	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Vacation Pay	6%	\$2.70	\$2.49	\$2.37	\$2.23	\$2.05	\$1.49
Holiday Pay	4%	\$1.80	\$1.66	\$1.58	\$1.49	\$1.37	\$1.00
Gross Rate		\$55.87	\$51.56	\$49.14	\$46.64	\$42.86	\$31.93
December 4, 2022		Trade	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate		\$45.08	\$41.48	\$39.46	\$37.24*	\$34.24	\$24.90
Annual Increase	1.5%-2%*	\$0.68	\$0.62	\$0.59	\$0.74*	\$0.51	\$0.37
New Base Rate		\$45.76	\$42.10	\$40.05	\$37.98*	\$34.75	\$25.27
Pension	10%	\$4.58	\$4.21	\$4.01	\$3.90	\$3.48	\$2.76
H&W		\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Training		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Vacation Pay	6%	\$2.75	\$2.53	\$2.40	\$2.28	\$2.09	\$1.52
Holiday Pay	4%	\$1.83	\$1.68	\$1.60	\$1.52	\$1.39	\$1.01
Gross Rate		\$56.70	\$52.30	\$49.84	\$47.46	\$43.49	\$32.34
December 3, 2023		Trade	Group 1	Group 2	Group 3	Group 4	Group 5
Base Rate		\$45.76	\$42.10	\$40.05	\$37.98	\$34.75	\$25.27
Annual Increase	1%	\$0.46	\$0.42	\$0.40	\$0.38	\$0.35	\$0.25
New Base Rate		\$46.22	\$42.52	\$40.45	\$38.36	\$35.10	\$25.52
Pension	10%	\$4.62	\$4.25	\$4.05	\$3.90	\$3.51	\$2.76
H&W		\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Training		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08

Vacation Pay	6%	\$2.77	\$2.55	\$2.43	\$2.30	\$2.11	\$1.53
Holiday Pay	4%	\$1.85	\$1.70	\$1.62	\$1.53	\$1.40	\$1.02
Gross Rate		\$57.24	\$52.80	\$50.33	\$47.87	\$43.90	\$32.61

Effective on the first Sunday after ratification, the base rates of all classifications will increase by two percent (2%).

On the first Sunday of December, 2022, the base rates of all classifications will increase by one and a half percent (1.5%). *The base rate for employees in Group 3 will increase by a further one-half percent (0.5%).

On the first Sunday of December, 2023, the base rates of all classifications will increase by one percent (1%).

On the first Sunday of May, 2024, the base rates of all classifications will increase by the average percentage (%) change in the Alberta "All Items" Consumer Price Index (CPI), up to a maximum of two percent (2%), calculated over the period from January 1 to December 31 of the prior calendar year. A percentage (%) change that is equal to zero (0) or less will result in no change to the base rates for the current year. The CPI shall be that published at:

<http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09-eng.htm>.

7:04 Tool and Boot Allowance

All employees employed as Journeyman Mechanics and Apprentice Mechanics shall receive a tool allowance of one dollar (\$1.00) per hour worked on a straight time basis for all hours worked. The tool allowance shall be paid at least monthly.

All employees employed as Mechanics, Welders, Apprentice Mechanics, Tire Technicians, Service Technicians and Lube & Fuel Technicians, will receive a boot allowance of ten cents (\$0.10) per hour for all hours worked, to a maximum of two hundred and twenty-five dollars (\$225.00) per year.

7:05 Night Shift Premium

Employees required to work scheduled shifts which start between 4:00 p.m. and 5:00 a.m. shall receive an hourly shift premium of one dollar and twenty cents (\$1.20) on a straight time basis for all hours worked on such scheduled shifts.

ARTICLE 8:00 OBSERVED HOLIDAYS AND VACATION PAY

8:01 The following Holidays will be observed as follows:

New Year's Day	Labour Day
Family day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
Heritage Day	

- (a) The Employer shall provide at least two (2) weeks' notice of the Christmas work schedule for the period of December 20th to January 5th. Failure to provide such notice shall result in the Employer paying any employees affected at applicable overtime rates for the first day worked where notice is not provided.
- (b) When an employee works on any of the above Observed Holidays and is paid overtime pay of at least one and one-half (1.5) times the employee's wage rate for each hour worked, the hours worked are not to be counted for the purpose of calculating any entitlement to overtime pay under Clause 9:01(a), for the work week in which the general holiday occurs. For example, the overtime earned for hours worked will be calculated at thirty-six (36) hours instead of forty-four (44) hours.

8:02 The Employer may require employees to work on any of the above Holidays (Clause 8:01). Such employees working on any of the above Holidays shall be paid at one and one-half (1.5) times the regular rate of pay.

Effective January 1, 2023, The Employer shall pay a premium of eight (8) hours regular pay for work performed on Labour Day, Christmas Day and New Year's Day.

8:03 Holiday pay shall be credited to the employee and shall be calculated at four percent (4%) of the straight time rate for all hours worked.

8:04 Vacation pay shall be credited to the employee at the rate of six percent (6%) of the straight time rate for all hours worked.

8:05 Holiday and Vacation Pay shall be paid on each payday and upon termination.

ARTICLE 9:00 HOURS OF WORK & OVERTIME

9:01 In recognizing that the Employer will be serving the needs of the Project Owner in operating mines and other projects, it is understood that shift schedules and hours of work may vary to suit the requirements of the projects.

- (a) Work week schedules may be required to provide a competitive and acceptable service to the mine or project. Work schedules may be scheduled on the basis of a maximum of twelve (12) regularly scheduled hours per day. Overtime will be paid for hours worked over eight (8) in a day, forty-four (44) in a week, Sunday to Saturday.
- (b) Every employee will be assigned a shift schedule with regularly scheduled days off. Shift schedules shall be posted.
- (c) The company will attempt to distribute hours of work and overtime equitably among the employees who normally perform the work.

9:02

- (a) All overtime will be paid at one and one-half (1.5) times the employee's basic hourly rate.
- (b) Any employee who was available for work or worked on all of their regularly scheduled days of work, and who works on any of their scheduled day(s) off following their regular scheduled days of work, will be paid overtime for that time. If a regularly scheduled shift is cancelled due to weather or lack of work, the employee is eligible for overtime pay on the following days off (DDO).
- (c) Any employee who was not available for work or did not work their regularly scheduled days of work (ie. employee calls in sick for one (1) or more regularly scheduled shifts(s)), the employee will not be eligible for overtime pay on the following designated days off (DDO) for day's equivalent to missed days, subject to overtime will be paid for hours worked over eight (8) in a day, forty-four (44) in a week.
- (d) Where the Employer changes an employee's shift schedule, resulting in the schedule having fewer days off than originally scheduled, then the originally scheduled days off shall be at overtime rates in addition to any overtime that would ordinarily be paid on the new shift schedule. This would apply only for the transition period from one shift schedule to another. It is agreed that where the Employer provides at least two (2) days' notice in writing of the change in shift schedule, no penalty will be paid. The Employer shall endeavor to implement shift changes in a manner that minimizes the impact to the employee, which may include the use of transition shifts.

When an employee works in a higher hourly wage classification, they shall be paid the higher rate for the entire half ($\frac{1}{2}$) of the shift in which they work the higher classification.

The Employer agrees to give twenty-four (24) hours' notice, where practical, of any shift change.

- 9:03 The employee's time shall commence when they reach their dry or marshalling area and shall end when they return to the dry or marshalling area at the end of each shift.
- 9:04 No employee shall work more than one (1) straight time shift in each consecutive twenty-four (24) hour period. An employee shall continue to receive the overtime rate after each shift until a break of eight (8) consecutive hours occurs.
- 9:05 In no case will overtime compensation or premiums be duplicated or pyramided, unless specifically provided for elsewhere in this Collective Agreement.
- 9:06 Upon mutual agreement between the Union and the Employer, schedule arrangements in accordance with the current Alberta Employment Standards Act can occur. These schedule arrangements may result in overtime hours being averaged across the work schedule.

ARTICLE 10:00 REPORTING AND CALL-OUT PAY

- 10:01 An employee who reports for work as scheduled without having been notified not to report and for whom no work is available, will be allowed three (3) hours pay at the rate of the job for which they were scheduled to report.

An employee who reports for and commences work shall be paid at the applicable rate for a minimum of four (4) hours or hours worked, whichever is greater.

These payments shall apply only in cases where an employee discontinues work at the request of the Employer.

- 10:02 When an employee is called out to work on their regularly assigned period of rest, they will be paid for a minimum of three (3) hours at the applicable rate. The Employer may require an employee to perform work within their jurisdiction for the three (3) hour call-out. Employees shall have the right to refuse overtime when an employee is called out or requested to work on a scheduled day off; emergencies not included.
- 10:03 If circumstances arise that there is no work available, two (2) hours' notice shall be given the employees. If such notice is not given, the Employer shall pay reporting time as set out in Clause 10:01.

Employees shall be provided notice through a telephone message service which they may call or other means mutually agreed upon between the Employer and the Union.

ARTICLE 11:00 PAY DAYS

- 11:01 The Employer shall pay employees every two (2) weeks and not more than seven (7) calendar days shall be held back. All wages, overtime pay and entitlement owing to an employee shall be paid by direct deposit to an account of the employee's choice in a Bank, Treasury Branch, Credit Union, Trust Company or other corporation insured under the Canada Deposit Insurance Corporation Act (Canada). A detailed pay stub outlining hours worked, rate of pay, deductions, etc. will be supplied to each employee.
- 11:02 The employee shall be provided with a detailed pay stub showing the hours worked, rate of pay, deductions, etc. within forty-eight (48) hours of the deposit.
- 11:03 Sunday shall be deemed the first day of the week for payroll purposes.
- 11:04 Employees shall be paid wages due at the time of layoff on the next scheduled pay day, but in no case later than seven (7) days following cessation of employment. When an employee is terminated or quits, he shall be paid on the next regular payday.
- 11:05 The Employer and the Union shall establish a Group RRSP that employees may contribute to in their own account by payroll deduction, in an amount specified by the employee. The institution, plan and governing regulations will be mutually agreed upon by the Union and the Employer.
- 11:06 Correction of Errors in Payment

(a) Underpayments

Where an employee has been underpaid an amount that is equal to or less than one (1) work day, the Employer will compensate the employee on the next payday. Where an employee has been underpaid an amount that is greater than one (1) work day, the Employer will compensate the employee within the next three (3) business days.

(b) Overpayments

If the Employer determines that an error of overpayment has occurred, the Employer shall promptly give notice in writing to the affected employee of the amount of the error, how the amount of the error was calculated and a mutual and reasonable plan to recover the overpayment.

ARTICLE 12:00 TRANSPORTATION

- 12:01 On projects where the Client provides daily bussing service for the Employer from the city of Fort McMurray to the project work site, the Employer will provide access to such bussing for the employees. Where the Client does not provide bussing for

projects from the city of Fort McMurray, as defined in Clause 4:01, the Employer will provide daily transportation to the project site and return. Employees shall report to the designated pick up point(s) within Fort McMurray in time to reach the project at the designated starting time of their shifts. If an employee finds their own mode of transportation at the request of the Employer, they shall be compensated at the maximum allowance as per the Canada Revenue Agency (CRA). The paid length of the shift will not differ as a result of utilization of the project specific transportation system as opposed to Employer buses. The parties agree that in the event that the client provided bussing is to be discontinued, then the parties shall meet in order to come to a reasonable solution to the transportation issue.

- (a) The Employer shall pay employees working at project sites north of Syncrude Base Mine (who travel from town to site on a daily basis) a transportation allowance corresponding to the project owner's approved transportation allowance. This transportation allowance does not apply to camp residents.
- (b) In the event of the use of a hot change for work over 12 hours in a shift, an inconvenience allowance of ten dollars (\$10.00) per day worked will be paid. Hot Change is defined as one operator doing shift change with another operator without interrupting the flow of production.

12:02 Suitable covered transportation daily from the camp area to the work area and return, or a point mutually agreed upon by the Employer and the Union, shall be provided.

ARTICLE 13:00 ROOM AND BOARD

13:01 Room and board may be provided at the Employer's sole discretion. On jobs designated as camp only jobs, daily transportation and inconvenience allowance as per Clause 12:01 will not apply.

13:02 The Employer will participate in soliciting client support in ensuring high camp standards are maintained. This will include, for example, involvement in camp committees. At the request of the Chief Job Steward, the Employer shall assign the Project Manager or his designate to conduct a joint camp inspection and document any concerns which will be forwarded to the client camp coordinator. In addition, it is understood that the Chief Job Steward shall play an active role in the camp committees in order to deal with any camp issues that may arise.

13:03 In the event that an employee is on days off or away from camp and is notified that he is being laid off according to the layoff procedure, all personal belongings will be packed and itemized by a Job Steward and Employer Representative and shipped to the employee's home address by the Employer at the earliest convenience with no cost incurred by the employee. If an employee is laid off and vacates their camp room, any remaining personal items will be deemed abandoned and will be

disposed of. All camp room clean outs will include a Job Steward.

13:04 Employees unable to make their scheduled flight and/or camp reservations are required to provide seventy-two (72) hours' notice or notice as defined by client requirements in advance of their scheduled flight time. If notice as above is not provided, the Employer will deduct the Employer cost of the missed flight and/or lodging from the employee. The deduction is subject to a review of the circumstances. If the employee, due to unforeseeable or unpreventable issues, cannot provide notice, the Employer may waive the notice period required and associated cost following the employee providing satisfactory evidence of the issue. The employer will work with the employee to determine a mutually satisfactory plan to recover the incurred cost for the flight and/or camp.

ARTICLE 14:00 WORKING CONDITIONS

14:01 The Employer shall provide suitable sanitary facilities (washrooms to be upgraded - hot water should be available at least in the shops area); propane-type toilets with hand cleaning supplies, including wet towels; a heated lunch room which shall not be used for storage of tools or equipment; and a lock-fast place for storage of employee's tools.

- (a) The Employer shall provide flush toilets in the area of the main shop. In addition, the Employer will participate in soliciting client support in ensuring sufficient sanitary facilities are provided for employees throughout the project site.
- (b) It is understood and agreed by the Employer and the Union that there will be unusual circumstances where it is not practical to provide a lunchroom and sanitary facilities such as when a minimal number of employees are working in an area removed from the normal work area. In such cases, a pickup truck or similar vehicle maintained at a reasonable standard will be provided for the employee to eat their lunch if they do not have a heated cab. However, where practicable, these facilities will be provided.
- (c) The Employer shall make every effort to ensure that all mobile equipment has fully enclosed cabs with operating air conditioning and heating systems where conditions warrant. This will not apply to tree clearing equipment due to safety concerns.

14:02 The Employer shall provide reasonable protection from severe weather elements for all employees. When an employee is required to work in the rain, rainwear shall be supplied by the Employer. Such rainwear shall remain the property of the Employer and must be returned upon request by the Employer or upon termination of employment. Failing such return, the Employer is authorized to deduct the cost of the rainwear from the employee's pay.

- 14:03 All employees covered by this Collective Agreement shall be permitted thirty (30) minutes in the first (5) hours and thirty (30) minutes in the second five (5) hours or alignment with the client owner for rest periods per scheduled shifts, coffee break on the Project during regular working hours.
- 14:04 When a ticketed tradesperson or apprentice (mechanic, welder or electrician), as a condition of employment, is required to carry a full complement of tools, he shall, before starting work for the Employer, submit an inventory of tools which will be checked by the Employer. Upon acceptance, the Employer shall insure those tools and toolbox at the agreed value against fire and/or theft of the complete unit of tools while on the Employer's premises. The Employer shall be responsible for the repair of tools damaged on the job or replace them with tools of equal value. The Employer responsibility for the previous sentence shall apply only in the case of employees who have been employed for a period of one (1) year or longer.
- 14:05 When an employee works in a higher hourly wage classification, he shall be paid the higher rate for the entire half of the shift in which he works the higher classification.
- 14:06 Fresh bottled drinking water in approved sanitary coolers, containers and paper cups will be provided and placed at all fueling stations in convenient locations on all jobs.
- 14:07 The Employer shall supply a clothes locker, gloves, wristlets, appropriate seasonal coveralls and laundering of same to those employees employed in the servicing and repair of equipment. The gloves shall remain the property of the Employer and will be replaced without charge when worn out gloves are presented for exchange. This provision shall apply only to the following classifications:
- Mechanics
 - Electricians
 - Machinists
 - Welders
 - Servicemen
 - Fuel Truck Drivers
 - Steam Cleaner Operators
 - Tire Servicemen
 - Mechanic's and Welder's Helpers
 - Maintenance Labourers
 - Yardperson

When work conditions dictate, Operators and Labourers will be supplied gloves, headlamps or flashlights and coveralls, as well as a clothes locker.

- (a) Any employee who is laid off, discharged or quits and who has been supplied gloves or coveralls which have not been returned, shall have the cost of these items deducted from their last pay cheque, provided the employee was assigned a lockable clothes locker. The Employer shall implement a sign-

in/sign-out system for monitoring coveralls and gloves.

14:08 At no time will an employee be required to be paid in a lesser wage classification than that for which he was hired unless the employee agrees to the lesser wage classification in writing. The Employer agrees to give the employee two (2) days' notice prior to moving classifications.

ARTICLE 15:00 ABSENCE FROM WORK

15:01 Absences: Employees are required to attend work regularly. When unable to attend, the employee must;

1. contact his Supervisor as far in advance as possible, but no less than two (2) hours prior to his scheduled start time,
2. giving the reason he is unable to attend work, the date of his expected return, if known, and
3. the details as to where he can be contacted during his absence.
4. Where the employee has tried unsuccessfully to reach his Supervisor in person, he must leave a recorded message with the required information.
5. An employee is required to maintain regular contact with the Employer throughout his period of illness or injury and/or recovery.

An employee is required, if requested by the Employer, to;

1. substantiate the reasons for any absence.
2. If an employee misses three (3) or more consecutive days of work due to illness, he must, upon his return to work, present a medical certificate substantiating his absence and indicating his fitness to return to work.

15:02 The parties recognize that attendance at work by employees is important to the efficient operation of the Employer's business. Any undue or habitual absenteeism shall be cause for discipline of the employee including discharge.

15:03 An employee who is absent without leave for a period of two (2) consecutive work days without providing a reason acceptable to the Employer shall be deemed to have abandoned his position and shall be treated as a voluntary quit.

15:04 The Employer, the employee and the Union have an ongoing obligation to cooperate in an effort to facilitate the early return of the employee to his job after illness or injury, which will require a regular review of his functional abilities, including functional abilities assessments as and when requested by the Employer. It is agreed that employee participation in the Employer's modified work program is mandatory. The parties agree that an employee's failure to cooperate in the accommodation process may result in disciplinary action up to and including termination.

The employee shall be returned to his previous job, or to a comparable one, when his functional abilities so allow.

Where the Employer does not consider it has sufficient information to assess the employee's ability to return to work, it may request further information. An employee may be required to attend an independent medical examination. Should the Employer require independent medical examinations, such examinations shall be paid for by the Employer. In WCB related matters, WCB legislation shall apply.

ARTICLE 16:00 BEREAVEMENT LEAVE

- 16:01 Bereavement leave with pay will be granted to a maximum of thirty-six (36) regularly scheduled hours at straight time rates in case of death in an employee's immediate family, provided that the employee is directly involved in making funeral arrangements or attending the funeral. Immediate family shall include the employee's mother, father, grandmother, grandfather, brother, sister, spouse, common-law partner (regardless of gender), children, mother-in-law, father-in-law, brother-in-law, sister-in-law and grandchildren. The employee must return to work and provide documentation indicating attendance at the funeral or involvement in funeral arrangements to qualify for payment.

ARTICLE 17:00 APPRENTICESHIP AND TRAINING

- 17:01 Apprentices shall be paid in accordance with the appropriate regulations of the *Alberta Apprenticeship Act*, but in any case, at a rate that is no lower than that of Group 5 covered in this Collective Agreement.
- 17:02 All Apprentices shall acquire and maintain basic hand tools required to carry out their apprenticeship training.
- 17:03 Employees training on any job classification will be paid one (1) classification below that job classification for a maximum of four hundred (400) hours. The training will be shortened and employee paid proper classification if the Supervisor or trainer certifies that the employee has been signed off and is fully qualified or may be extended by mutual agreement of the Employer and the Union. This does not apply to Ticketed Tradespeople.
- 17:04 The Employer and the Union agree that the indenturing and training of apprentices is important and whenever possible apprentices will be incorporated.

ARTICLE 18:00 ACCIDENT PREVENTION AND SAFETY EQUIPMENT

- 18:01 It is understood and agreed that the parties to this Collective Agreement shall at all times comply with the accident prevention and safety regulations as stipulated by the KMC Standard Practice for Health, Safety and the Environment, the Project Owner's Safety, Health and Environment Program or the *Occupational Health and*

Safety Act. It is also agreed that any refusal on the part of the worker to perform their duties or to continue to perform their duties in contravention of the above Health and Safety regulations shall not be deemed to be in violation of this Collective Agreement.

A violation of any regulation of the *Occupational Health and Safety Act* or any unsafe working practice shall be cause for dismissal. The Employer shall notify the Job Steward at the time of any such occurrences.

- 18.02 Every potential employee shall submit to and pass the Employer's lawful designated drug/alcohol test prior to employment with the Employer on a project. Employees may also be required to submit to a lawful drug/alcohol test for just cause during the course of their employment. The Employer and the employee shall also adhere to such other lawful drug/alcohol tests as required by the Owner or Employer.

ARTICLE 19:00 SPECIAL PROVISIONS

- 19:01 The selection and appointment of foremen shall be the sole responsibility of the Employer. The designation and determination of the number of foremen, should any be required, is the sole responsibility of the Employer.

When a foreman is required and no qualified candidate is available from the Union hall, a foreman may be recruited by the Employer. Such recruits shall be permitted into or apply to become members of the Union within four hundred (400) hours worked after commencement of employment.

- 19:02 Foremen shall be paid not less than one dollar and fifty cents (\$1.50) per hour above the highest classification supervised.

19:03

- (a) A Joint Labour-Management Committee consisting of representatives of the Employer and representatives of the Union shall meet, at minimum, on an annual basis. The Committee will meet to discuss matters of mutual concern with a view to maintaining and improving effective labour-management relations between the Employer and the Union.
- (b) The Employer agrees that it will meet with the Union prior to the end of the first quarter of each calendar year on training and development initiatives where a joint focus will be on identifying development opportunities for members and other training concerns as identified by the membership.

- 19:04 The Employer and the Union will co-operate in the implementation of First Nations employment and/or sub-contracting programs as appropriate. Any case of implementation of this Clause shall be subject to agreement of the Employer and the Union.

19:05 Discipline must be based on just cause and in accordance with the principles of progressive discipline. The parties agree that in the event an employee is to be disciplined by the Employer, the employee shall have the right to Union representation through Job Stewards, Business Agents and/or Representatives. It is agreed that written warnings and suspensions that occurred greater than twenty-four (24) months previously shall not be relied upon in the event that further disciplinary action is necessary.

The Employer may impose increasingly severe discipline upon an employee for repeated infractions which may be dissimilar in nature.

19:06 The Employer agrees that it will not cause or direct any lockouts of its employee during the life of this Collective Agreement. In like manner, the Union agrees that neither will the Union cause or direct, nor shall any employee cause or take part in any sit-down, slow down, overtime boycott, strike or stoppage of work during the life of this Collective Agreement. It is further agreed that the Employer may discharge any employee causing or taking part in any of the above mentioned during the life of the Collective Agreement. Such discharge may be subject to grievance and arbitration.

ARTICLE 20:00 EMPLOYER CONTRIBUTIONS

20:01 Health and Wellness - Effective on the first Sunday after ratification, the Employer shall pay one dollar and seventy cents (\$1.70) for each hour worked by each employee into the Operating Engineers Local 955 Health and Wellness Trust Fund.

The Employer shall, not later than the fifteenth (15th) of each month, mail Health and Wellness Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955 Health and Wellness Trust Fund.

It is agreed that the extent of the Employer liability for the provision of Health and Wellness benefits for the bargaining unit employees is in providing to the Health and Wellness Trust Fund the contributions as outlined above.

20:02 Pension - The Employer shall pay a pension contribution for each hour worked by each employee into the Operating Engineers Local 955 Pension Trust Fund.

Pension contributions will be red-circled at the rates as of May 4th, 2014 until the rate equal to ten percent (10%) of each applicable base hourly rate of pay exceeds the May 4th, 2014 red-circled amount at which time the pension shall be calculated at ten percent (10%) of base rate.

The Employer shall, not later than the fifteenth (15th) day of each month, mail Pension Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955

Pension Trust Fund.

It is agreed that the extent of the Employer liability for the provision of Pension benefits for the bargaining unit employees is in providing to the Pension Trust Fund the contributions as outlined above.

20:03 Training - Effective on the first Sunday after ratification, the Employer shall pay eight cents (\$0.08) for each hour worked by each employee into the Operating Engineers Local 955 Training Trust Fund.

The Employer shall, not later than the fifteenth (15th) of each month, mail Training Trust Fund contributions for the previous month to the Office of the Trust Fund. Cheques are to be made payable to the Operating Engineers Local 955 Training Trust Fund.

It is agreed that the extent of the Employer liability for the provision of Union Trust Fund-provided training benefits for the bargaining unit employees is in providing to the Training Trust Fund the contributions as outlined above. Nothing in this Clause shall be interpreted as limiting the Employer's ability to provide additional training to members of the bargaining unit at its own expense.

ARTICLE 21:00 DURATION OF COLLECTIVE AGREEMENT

21:01 Except as otherwise specified herein, the Collective Agreement shall be in full force and effect as of the first Sunday in 2022 after ratification until April 30, 2025, and from year to year thereafter except as hereinafter provided.

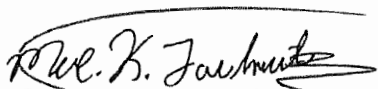
21:02 The Union or the Employer may, not less than thirty (30) days and not more than one hundred and twenty (120) days immediately prior to the expiry date of the Collective Agreement, request the other party to the Collective Agreement to commence collective bargaining. Such notice shall be given by registered mail.

21:03 It being the intent of the parties to this Collective Agreement that negotiations be concluded and a new Collective Agreement signed prior to April 30, 2025. It is the express intent of this provision to have concluded a new Collective Agreement or to have exhausted all the procedures as set out in the *Labour Relations Code* prior to the expiry date of the Collective Agreement.

21:04 If notice has been given by the Union and/or the Employer, this Collective Agreement shall remain in full force and effect during any period of negotiations even though such negotiations may extend beyond the said expiry date, until the procedures in the *Labour Relations Code* have been exhausted. The parties to this Collective Agreement shall make every effort to complete the procedures in the *Code* and conclude a Collective Agreement prior to the expiry date.

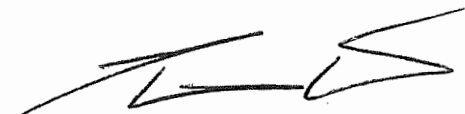
IN WITNESS WHEREOF the Company and the Union have executed this
Collective Agreement this 31st day of January 2022.

KMC MINING CORPORATION

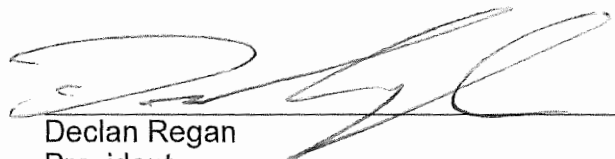


Moe Farhat
General Manager - Suncor

**INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL
UNION NO. 955**



Chris Flett
Business Manager



Declan Regan
President

LETTER OF UNDERSTANDING #1

between

KMC MINING CORPORATION
(hereinafter referred to as the Employer)

and

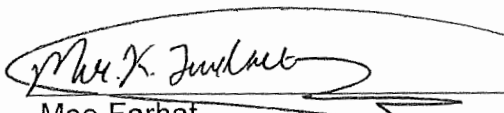
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 955
(hereinafter referred to as the Union)

If during the term of this Collective Agreement it becomes necessary for the Employer to perform work which falls within the scope of this Collective Agreement on any other site, the parties agree to meet and discuss transportation, travel time and lodging terms and conditions posed by the implementation of this Collective Agreement at a different geographical site.

If during the term of this Collective Agreement it becomes necessary for the Employer to perform long term work that falls within the scope of this Collective Agreement, the parties agree to meet and discuss shift schedules and compressed work weeks. A committee comprised of at least two (2) stewards and a Union Officer approved by the Business Manager of Local 955 will meet to discuss proposed provisions.

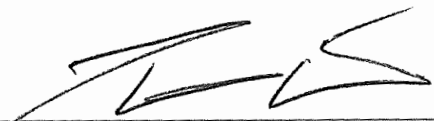
SIGNED this 31st day of January, 2022 on behalf of:

KMC MINING CORPORATION




Moe Farhat
General Manager - Suncor

**INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL
UNION NO. 955**



Chris Flett
Business Manager



Declan Regan
President

LETTER OF UNDERSTANDING #2

between

KMC MINING CORPORATION
(hereinafter referred to as the Employer)

and

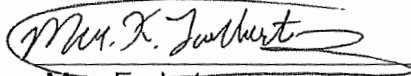
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 955
(hereinafter referred to as the Union)

RE: Four (4) Ten (10) hour shifts

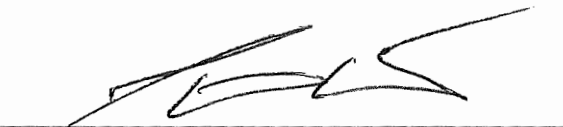
The Employer may schedule the regular work week in four (4) consecutive ten (10) hour days, at straight time rates, provided only that the four (4) ten (10) hour days are scheduled during the Monday through Thursday period. All hours outside of this four (4) consecutive ten (10) hour day schedule, or in excess of the (10) hours per day, will be paid at the applicable overtime (one and one-half (1.5) times the hourly rate). The Employer may vary the start/quit times by up to thirty (30) minutes at their option. Variances beyond thirty (30) minutes shall be agreed mutually by the Employer and the Business Representative of the Union.


SIGNED this 31st day of January, 2022 on behalf of:

KMC MINING CORPORATION

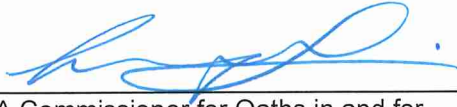

Moe Farhat
General Manager - Suncor

**INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL
UNION NO. 955**


Chris Flett
Business Manager


Declan Regan
President

This is **Exhibit “8”** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT
(Pursuant to Section 32 of the *Companies' Creditors Arrangement Act* ("the Act"))

TO: **Gellarne Holdings (2001) Ltd.**
c/o Royal Park Realty (2010) Corporation
#201, 9038 – 51 Avenue NW
Edmonton, AB T6E 5X4
Attention: Joel Wolski
Sent via email: joel@royalparkrealty.com & via Courier

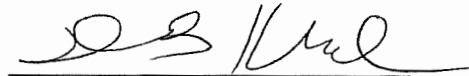
AND TO: **FTI Consulting Canada Inc.**
Suite 1610, 520 Fifth Avenue SW
Calgary, AB T2P 3R7
Attention: Dustin Olver
Sent via email: dustin.olver@fticonsulting.com

TAKE NOTICE THAT:

- 1) Proceedings under the *Companies' Creditors Arrangement Act* (the "Act") in respect of KMC Mining Corporation were commenced on the 10th day of January 2025.
- 2) In accordance with subsection 32(1) of the Act, the Debtor Company gives you notice of its intention to disclaim or resiliate the following agreement:
 - a) Offer to Lease Agreement dated April 27, 2023 in respect of a lease of premises located at 5809 – 98 Street, Edmonton, Alberta, and legally described as Plan 1331TR; Block 10; Lot 8A.
- 3) In accordance with subsection 32(2) of the Act, any party to the Agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the Agreement and to the Monitor, apply to Court for an Order that the Agreement is not to be disclaimed or resiliated.
- 4) In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the Agreement is disclaimed or resiliated on the 23rd day of April, 2025, being the 30th day following the day on which notice has been given.

Dated at Edmonton, Alberta, this 24 day of March, 2025.

KMC Mining Corporation
Per:



Name:

The Monitor approves the proposed disclaimer resiliation dated at Calgary, Alberta on this 21 day of March, 2025.

FTI Consulting Canada Inc.

Per:

A handwritten signature in black ink, appearing to read "Dustin Olver", written over a horizontal line.

Dustin Olver

This is **Exhibit "C"** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law



**ROYAL PARK
REALTY™**

OFFER TO LEASE

This Agreement is between

THE LANDLORD

THE TENANT

NAME: Gellarne Holdings (2001) Ltd.

NAME: KMC Mining Corporation.

The Tenant offers to lease the Space on the following terms and conditions:

1. **THE LEASED SPACE**

- 1.1 Municipal Address: 5809-98 Street, Edmonton, Alberta
- 1.2 Legal Description: Plan: 1331TR; Block: 10; Lot: 8A
- 1.3 The Leased Space shall comprise an area of 8,037 square feet on 1.12 acres, more or less, such area is to be measured and determined in accordance with the Landlord's standard form of lease (the "Lease") on the plan as outlined on the attached Schedule "A", being all or a portion of the lands described in clauses 1.1 and 1.2. Final measurements to be mutually agreed upon and defined in the Formal Lease.

2. **TERM**

- 2.1 The Lease shall be for a term of Three (3) Years, commencing on June 1, 2023, and terminating on May 31, 2026.

3. **ANNUAL BASIC RENT**

- 3.1 Annual Basic Rent shall be payable monthly, in advance, as follows:

Term	Area	Monthly Basic Rent	Annual Basic Rent
Years 1 – 3	8,037 sq ft	\$12,500.00	\$150,000.00

4. **ADDITIONAL RENT**

- 4.1 Common Expenses shall be estimated by the Landlord from time to time. Common expenses shall be reviewed by the Tenant, the Tenant shall have the right to audit and arbitrate Additional Rent. The Tenant shall pay its proportionate share of such Common Expenses as Additional Rent monthly, in advance, on the first day of each month. Such proportionate share is to be determined in accordance with the Lease. Common Expenses shall be adjusted by the Landlord in accordance with the Lease.
- 4.2 The Tenant's proportionate share of Common Expenses (not including the Tenant's direct costs) is currently estimated at \$4.70 per square foot per annum (property taxes and insurance). To be reviewed annually.

5. **GOODS AND SERVICES TAX (GST)**

- 5.1 The Tenant shall pay GST on all Annual Basic Rent and Additional Rent, where applicable.

6. **DEPOSITS**

- 6.1 The sum of \$26,250.00 including GST is to be delivered in trust to Royal Park Realty (2010) Corporation as a Deposit to be applied, if the Tenant is not in default, towards the first One (1) month and ~~Last One (1) month's Basic Rent~~ or to be returned forthwith if this offer is not accepted.
- 6.2 The Deposits shall be held in trust for both the Landlord and the Tenant and shall be:
 - a. refunded forthwith to the Tenant if the offer is not accepted, a condition is not satisfied or waived (as per clauses 12.5 and 12.6) or the Landlord fails to perform this Agreement; or
 - b. forfeited to the Landlord if the offer is accepted and all conditions are satisfied or waived, and the Tenant fails to perform this Agreement.
- 6.3 If there is a dispute between the Landlord and the Tenant as to entitlement to the Deposit, then:

BP Landlord's Initials

BMJ Tenant's Initials



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- a. the brokerage shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposit;
 - b. if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Agreement in writing and shall pay the money into a lawyer's trust account;
 - c. the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposit a reasonable fee and costs incurred for dealing with the Deposit;
 - d. a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposit except as arising from the negligence of the brokerage or lawyer.
- 6.4 If the Landlord fails to give possession as set out herein, the Tenant shall cancel this Agreement, withdraw its Deposits and take such remedies as the Tenant has at law.

7. POSSESSION

- 7.1 The Landlord agrees to give the Tenant access to and vacant possession of the Leased Space not later than 12 noon on May 5, 2023, subject to execution of the Lease, the Tenant's placement of the insurance required by the Lease, and the Tenant transferring all applicable metered utilities for the Leased Space to the Tenant's name.
- 7.2 The Tenant shall have from the Possession Date to the Commencement Date free of Basic Rent but shall be required to pay Additional Rent and Utilities during this time.

8. CONDITION OF LEASED SPACE

- 8.1 The Tenant has inspected the Leased Space and agrees to accept the Leased Space in "as is" condition, except for that work specifically set forth in Schedule "B" which is the Landlord's responsibility.
- 8.2 The Tenant agrees to surrender the Leased Space at the end of the Term in generally the same condition as the Leased Space was in at the commencement of the Term, with the exception of reasonable wear and tear, or as set out in Schedule "B" attached.
- 8.3 Removal of tenant fixtures and leasehold improvements shall be governed by the Lease.

9. ENVIRONMENTAL

- 9.1 The Landlord shall provide a ^{copy of the existing} ~~baseline~~ environmental upon lease commencement. Tenant shall not be obligated to perform an exit environmental but shall be responsible for any environmental contamination from their lease as outlined in 18.2.

10. SIGNAGE

- 10.1 The Tenant shall be permitted to install, at its expense, an identification sign for the Leased Space subject to the Landlord's written approval as to design and location and in compliance with all municipal bylaws, regulations, and codes.

11. USE OF LEASED SPACE

- 11.1 The Leased Space shall only be used for: servicing of equipment and assorted parts.

12. CONDITIONS

- 12.1 The Tenant's Conditions are:

- Review and acceptance of Landlord's Formal Lease agreement.
- Board of Director's approval.

Before 5 p.m. on May 8, 2023 (the "Tenant's Condition Day")

- 12.2 The Landlord's Conditions are:

^{DS}
BP Landlord's Initials

^{DS}
BMJ Tenant's Initials



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Before 5 p.m. on _____ (the "Landlord's Condition Day")

- 12.3 The Landlord is given permission by the Tenant to obtain a credit report on the Tenant and any guarantors within three (3) days from acceptance of this Offer to Lease. Tenant shall cooperate with the Landlord's efforts to evaluate Tenant creditworthiness. The Landlord shall have the right to terminate this offer, by notice in writing, if this effort is not acceptable to the Landlord.
- 12.4 Unless otherwise agreed in writing, the Tenant's Conditions are for the sole benefit of the Tenant and the Landlord's Conditions are for the sole benefit of the Landlord. The Tenant and Landlord must use reasonable efforts to satisfy their respective Conditions.
- 12.5 The Tenant and the Landlord may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the respective Condition Day. If that notice is not given, then this Agreement is ended immediately following that Condition Day.
- 12.6 Subject to clause 12.4, the Tenant and the Landlord may give written notice to the other party on or before the respective Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Agreement is ended upon the giving of that notice.

13. THE LEASE

- 13.1 The Landlord will prepare a copy of the Lease to conform to the provisions in this Agreement within ten (10) days of unconditional acceptance of this Agreement.
- 13.2 The Tenant shall execute the Lease within ten (10) days of being presented with the Lease document. The provisions of this Agreement shall survive the execution of the Lease.
- 13.3 The Landlord and the Tenant acknowledge and agree that in the event of any conflict between the terms of this Agreement and the Lease, the terms of this Agreement shall govern.

14. ASSIGNMENT AND SUBLEASE

- 14.1 The Tenant shall have the right to assign the Lease and sublet and/or change the use of the Leased Space with the written consent of the Landlord, such consent not to be unreasonably withheld.
- 14.2 Any assignment or subletting by the Tenant will not relieve the Tenant of liability under the Lease.

15. RENEWAL

- 15.1 If the Tenant is not in default of any of the terms and conditions of the Lease, the Tenant shall have the right, upon written notice delivered to the Landlord not later than six (6) months prior to the end of the Term, to renew the Lease for a further Two (2) Three (3) Year Term on the same terms and conditions save and except for:
 - a. this option to renew;
 - b. Landlord's work responsibilities;
 - c. free rent;
 - d. Tenant inducements;
 - e. Annual Basic Rent, which will be determined by agreement between the Landlord and Tenant or, in default of agreement, by arbitration according to the Arbitration Act (Alberta).

16. ADDITIONAL TERMS

- 16.1 All time periods, deadlines and dates in this Agreement will be strictly followed and enforced. All times will be Alberta time unless otherwise stated.
- 16.2 This Agreement is for the benefit of and will be binding upon the heirs, executors, administrators and assigns of the individual parties and the successors and assigns of corporate parties.
- 16.3 All changes of number and gender shall be implied.
- 16.4 Capitalized words used in the headings, where applicable, shall define the terms used in this Agreement.
- 16.5 This Agreement will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta regarding any dispute that may arise out of this transaction.

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BP

Landlord's Initials

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BMJ

Tenant's Initials



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16.6 Other:

17. BINDING AGREEMENT

- 17.1 This offer, when accepted, shall constitute a binding Offer to Lease.
- 17.2 The Landlord and the Tenant each acknowledge that, except as otherwise described in this Agreement, there are no other warranties, representations or collateral agreements made by or with the other party, the Landlord's brokerage and the Tenant's brokerage about the property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the land and buildings or the existence or nonexistence of any environmental condition or problem.

18. ENVIRONMENTAL HAZARDS

- 18.1 The Landlord is responsible for pre-existing environmental hazards on the Leased Space, if any, at the time the Tenant takes possession.
- 18.2 The Tenant is responsible for environmental hazards that result from its subsequent use and occupancy of the Leased Space and indemnifies the Landlord with respect thereto.

19. SECURITY FOR THE LANDLORD'S BROKERAGE FEES

- 19.1 The Landlord does hereby irrevocably assign to the Landlord's brokerage enough of the Deposits to pay all sums due and owing to the Landlord's brokerage and agrees to pay any unpaid balance of the Commission to the Landlord's brokerage.

20. ADVICE

- 20.1 This Agreement is intended to create binding legal obligations. The Landlord and the Tenant should read this Agreement carefully and are encouraged to obtain legal advice before signing.
- 20.2 Unless there is a dual agency or another written agreement, the Landlord's brokerage represents the Landlord as Landlord's Agent and does not have a fiduciary relationship with the Tenant, and the Tenant's brokerage represents the Tenant as Tenant's Agent and does not have a fiduciary relationship with the Landlord.
- 20.3 The Landlord and Tenant agree that the Lease and other related information regarding this transaction may be retained and disclosed by the Brokerage as required for closing and for reporting, appraisal and statistical purposes.

21. DEFINITIONS

- 21.1 In this Agreement:
 - a. Business Day means a day when the Land Titles Office is open for business.
 - b. Landlord's Agent means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Landlord.
 - c. Tenant's Agent means the licensed brokerage (including its broker, all associate brokers and agents) who represents the Tenant


22. REPRESENTATIVES/NOTICE

NOTE: The Representative information must be completed in full by the Tenant's Agent at the offer stage prior to the Agreement being signed in order to permit communication to the Representatives.

- 22.1 The Representatives identified below represent the Landlord and the Tenant.
- 22.2 For the purposes of giving and receiving any notice referred to in this Agreement, and for acceptance of an Offer to Lease, communication must be in writing and must be delivered to the address or emailed to the information described below.

A notice sent or received by a Representative is proper notice for the purposes of this Agreement.

 Landlord's Initials

 Tenant's Initials



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Landlord's Representative:

Joel Wolski

Broker, associate broker or agent registered to the brokerage

Brokerage Name: Royal Park Realty (2010) Corporation

Brokerage Address: #201, 9038-51 Avenue NW, Edmonton, AB T6E 5X4

Phone: (780) 904-5630 Email: joel@royalparkrealty.com

Tenant's Representative:

Joel Wolski

Broker, associate broker or agent registered to the brokerage

Brokerage Name: Royal Park Realty (2010) Corporation

Brokerage Address: #201, 9038-51 Avenue NW, Edmonton, AB T6E 5X4

Phone: (780) 904-5630 Email: joel@royalparkrealty.com

Remaining Left Blank Intentionally

 Landlord's Initials

 Tenant's Initials



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23. **OFFER**

23.1 The Tenant offers to lease the space according to the terms of this Agreement

23.2 This offer/counter offer shall be open for acceptance in writing until April 28, 2023, May 5, 2023

DS
BMJ

DS
BP

SIGNED AND DATED AT Acheson, Alberta on 4/27/2023

TENANT: **KMC Mining Corporation.**

DocuSigned by:

Bryn Jones

Per: 972C1FE00A9546E

Authorized Signing Officer(s)

Bryn Jones

Print Name of Authorized Signing Officer(s)

Witness

Print Name of Witness

Tenant's GST# _____

24. **ACCEPTANCE**

24.1 The Landlord accepts the Tenant's offer and agrees to lease the Space according to the terms of the Agreement

SIGNED AND DATED AT 5/2/2023, Alberta on 5/2/2023

LANDLORD: **Gellarne Holdings (2001) Ltd.**

DocuSigned by:

Bonnie Papadopoulos

Per: 880C4A7238DC470...

Authorized Signing Officer(s)

Bonnie Papadopoulos

Print Name of Authorized Signing Officer(s)

Witness

Print Name of Witness

Landlord's GST# _____

25. **FINAL SIGNING**

25.1 Final Signing of this Agreement occurred on 5/5/2023

Initials of the person(s) who signed last BMJ

DS
BMJ

DS
BP

Landlord's Initials

DS
BMJ

Tenant's Initials

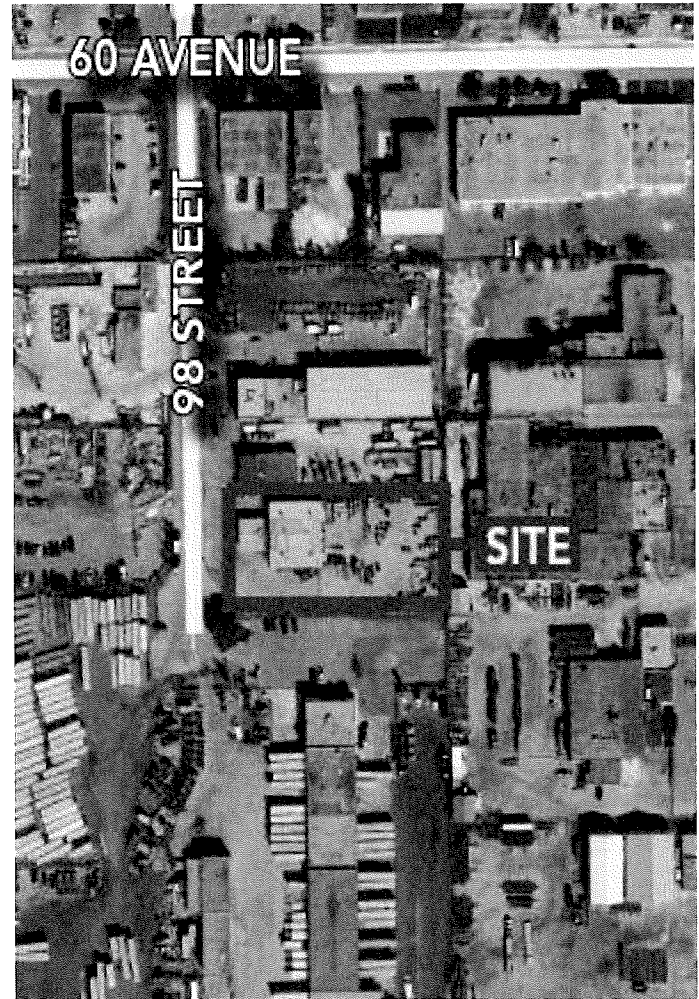


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COMMERCIAL SCHEDULE "A" – SITE PLAN

This Schedule is attached to and forms part of the Offer to Lease between: KMC Mining Corporation (the "Tenant") and Gellarne Holdings (2001) Ltd. (the "Landlord").

With respect to the Property described as:
Municipal Address: 5809-98 Street NW, Edmonton, AB
Legal Description: Plan: 1331TR; Block: 10; Lot: 8A



Note: This form must be signed by all parties to the Contract.

DATED at Acheson on 4/27/2023.

DocuSigned by:
Bryn Jones
972C1FE00A9546E...

Tenant

Witness

DocuSigned by:
Bonnie Papadopoulos
690C4A7238DC470...

Landlord

Witness

DS
BP Landlord's Initials

DS
BMJ Tenant's Initials



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COMMERCIAL SCHEDULE "B" – LANDLORD'S WORK

This Schedule is attached to and forms part of the Offer to Lease between: KMC Mining Corporation (the "Tenant") and Gellarne Holdings (2001) Ltd. (the "Landlord").

With respect to the Property described as:
Municipal Address: 5809-98 Street NW, Edmonton, AB
Legal Description: Plan: 1331TR; Block: 10; Lot: 8A

Landlord's Work:

The Following Landlord's work shall be completed on or before Possession:

- 1.) Ensure that all man doors, overhead doors, mechanical, electrical, and plumbing systems are in good working order and condition and the premises is delivered in clean condition.
- 2.) Complete any repairs, excluding damage, to the infrastructure as part of ongoing maintenance.
- 3.) Certify the cranes.
- 4.) Supply and install upgraded LED lights in the shop.

Note: This form must be signed by all parties to the Contract.

DATED at Acheson on 4/27/2023.

DocuSigned by:
Bryn Jones
972C1FE00A9546E...

Tenant

Witness

DocuSigned by:
Bonnie Papadopoulos
809C4A7238DC470...

Landlord

Witness

BP Landlord's Initials

BMJ Tenant's Initials



ROYAL PARK
REALTY™

COMMON LAW TRANSACTION BROKERAGE AGREEMENT

A potential conflict of interest occurs when one brokerage is representing both the Landlord and the Tenant in a single transaction. By representing both the Landlord and the Tenant in a transaction, the brokerage's abilities to fulfill agency duties to you (and the other client) are limited, particularly the duties of undivided loyalty, confidentiality and full disclosure.

Under these circumstances' transaction brokerage can be formed. Transaction brokerage can only be formed with the informed and voluntary consent of both the Landlord and the Tenant. The brokerage will obtain this consent through the use of a Common Law Transaction Brokerage Agreement, which must be signed by the Tenant before an offer is made, and by the Landlord before the offer is presented.

This agreement allows the brokerage (including its broker, associate brokers and associates) to act as a Transaction Facilitator to help you and the other party reach a mutually acceptable agreement. The Transaction Facilitator will treat the interests of both the Landlord and the Tenant in an even-handed, objective and impartial manner and will ensure that any advice or information given to one party is disclosed to the other.

However, the Transaction Facilitator **cannot** disclose any information received in confidence, an in particular **cannot** disclose:

- That the Tenant may be prepared to offer a higher price or agree to terms other than those contained in the Offer to Lease.
- That the Landlord may be prepared to accept a lower price or agree to terms other than those contained in the listing agreement.
- The motivation of the Tenant or the Landlord wishing to lease the property; and
- Personal information relating to the Landlord or Tenant

The Landlord and the Tenant having both seen and read this agreement acknowledge that they will enter into a transactional brokerage agreement with Royal Park Realty (2010) Corporation with regards to the lease of the property known as:

Municipal Address: 5809-98 Street NW, Edmonton, AB

Legal Description: Plan: 1331TR; Block: 10; Lot: 8A

Gellarne Holdings (2001) Ltd.

LANDLORD

DocuSigned by:

Bonnie Papadopoulos

890C4A7288DC470...

Authorized Signing Officer

Bonnie Papadopoulos

Print Name

5/2/2023

Date

DocuSigned by:

Joel Wolski

CE1B11F0C1454DE...

Royal Park Realty Associate

Joel Wolski

Print Name

DS
BP

Landlord's Initials

KMC Mining Corporation

TENANT

DocuSigned by:

Bryn Jones

072C1FE00A0540E...

Authorized Signing Officers

Bryn Jones

Print Name

4/27/2023

Date

DocuSigned by:

Joel Wolski

CE1B11F0C1454DE...

Royal Park Realty Associate

Joel Wolski

Print Name

DS
BMJ

Tenant's Initials

This is **Exhibit “D”** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law

DUNCAN CRAIG LLP
LAWYERS MEDIATORS

Our File: 204-219113

Your File:

Lawyer:

Telephone:

Email:

Fax:

Darren R. Bieganek, KC

780.441.4386

dbieganek@dcllp.com

780.428.9683

June 2, 2025

Via Email: npapadopoulos@papasgroup.ca

Gellarne Holdings (2001) Ltd.

c/o The Papas Group

3804 93 Street NW

Edmonton, AB T6E 5K5

Attention: Noel Papadopoulos

Dear Sir:

**Re: KMC Mining Corporation – Lease of Premise at 5809 – 98 Street, Edmonton,
Alberta - Disclaimer**

Further to the above noted matter, as you are aware, our office acts on behalf of KMC Mining Corporation ("KMC") who issued a Notice of Disclaimer on March 24, 2025 with respect to the leased premises in question.

I understand from our client that a deposit in the amount of \$26,250.00 including GST was delivered at the time of entry into the Offer to Lease.

One half of that sum was in respect of the first one month's rent. The balance was held as a security deposit.

It is the security deposit portion which I have received instructions to write to you about.

Based on the Alberta Court of Appeal decision in *York Realty Inc. v. Alignvest Private Debt Ltd.*, 2015 ABCA 355 (copy attached), the security deposit was just that, a deposit and is not prepaid rent.

Accordingly, KMC is entitled to the return of its security deposit in the context of its insolvency proceedings.

On behalf of our client I am hereby requesting an accounting of the security deposit and return of it to our office.

www.dcllp.com

Tel: 780.428.6036 • Toll Free: 1.800.782.9409 • Fax: 780.428.9683
#2800, 10060 Jasper Ave. Edmonton, Alberta T5J 3V9

Duncan Craig LLP

June 2, 2025

Page 2

If you would like to discuss the matter, please feel free to contact me directly to do so.

Yours truly,

DUNCAN CRAIG LLP

Per:

A handwritten signature in black ink, appearing to read "DRB", is positioned above the typed name.


DARREN R. BIEGANEK, KC

DRB/kb

Enclosure

cc: KMC Mining Corporation

This is **Exhibit “E”** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.

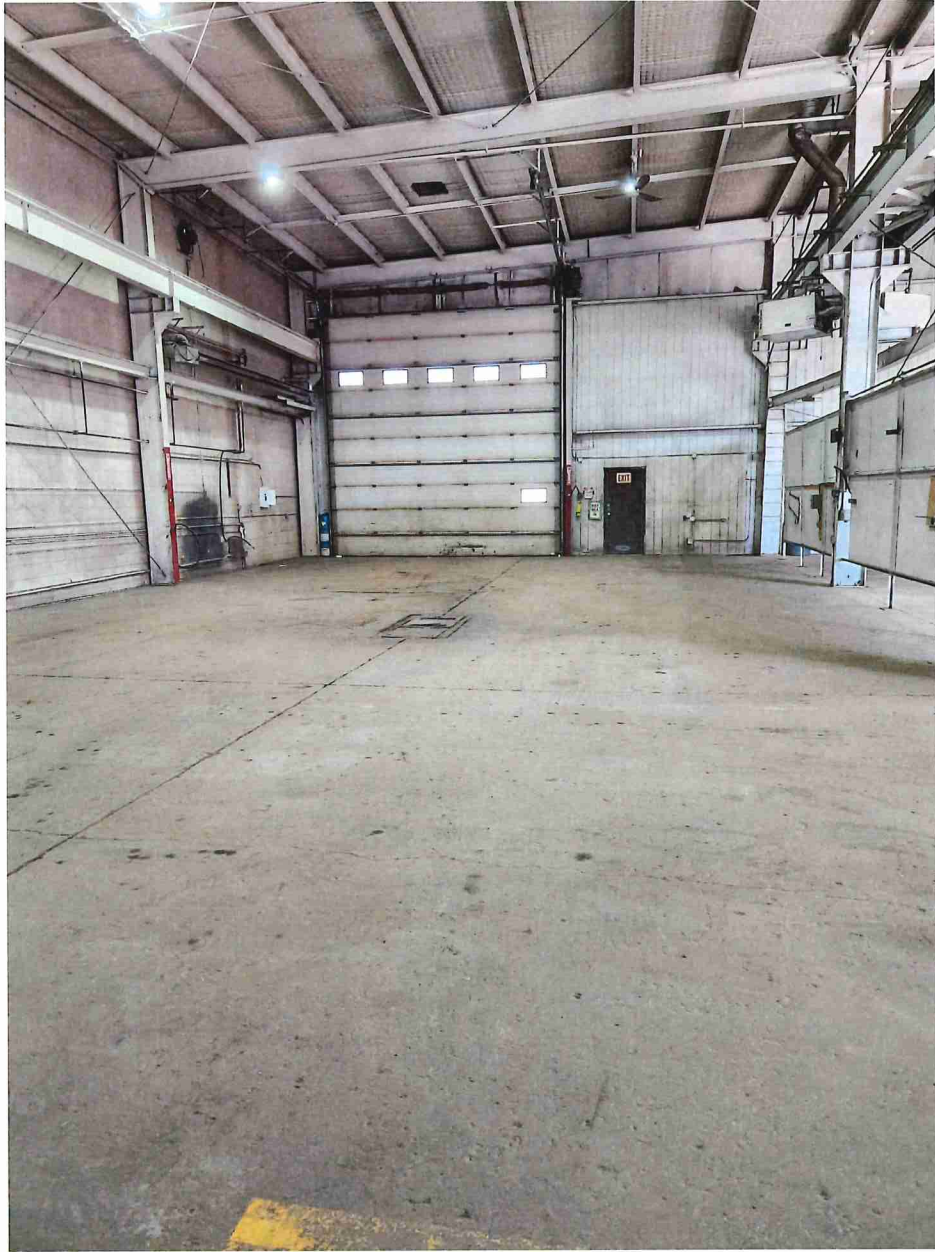


A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law









This is **Exhibit “F”** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law

**Aon Reed Stenhouse Inc.**

Suite 2000, 10180 - 101 Street NW
Edmonton, Alberta T5J 4E4
Tel. (780) 423-9801 Fax (780) 423-9876

CERTIFICATE OF INSURANCE**NO.0077****CERTIFICATE HOLDER**

Deutsch Leasing Canada Corp.
c/o Deutsche Leasing USA Inc.
190 South LaSalle Street, Suite 2150
L7M 4A3

INSURED

KMC Mining , Et Al
28712 - 114 Avenue
Acheson, Alberta
T7X 6E6

RE: CONFIRMATION OF INSURANCE: Unit 2-118 - 2022 Liebherr PR776 s/n 025121, Value: \$1,488,254

THIS IS TO CERTIFY THAT THE INSURANCE POLICIES LISTED BELOW HAVE BEEN ARRANGED FOR THE INSURED NAMED ABOVE. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS CONTAINED IN THE POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF POLICY AND INSURER	POLICY NUMBER	EFFECTIVE DATE 12:01 AM (MM/DD/YY)	EXPIRATION DATE 12:01 AM (MM/DD/YY)	LIMITS OF LIABILITY
CONTRACTORS EQUIPMENT (1) Starr Insurance & Reinsurance Limited	1000598040231	Dec 1/23	Dec 1/24	\$1,488,254 LIMIT
GENERAL LIABILITY Revau Advanced Underwriting Inc.	837504C01	Dec 1/23	Dec 1/24	\$ 2,000,000.00 EACH OCCURRENCE \$ 2,000,000.00 AGGREGATE PRODUCTS & COMPLETED OPERATIONS
UMBRELLA LIABILITY Revau Advanced Underwriting Inc.	837504U01	Dec 1/23	Dec 1/24	\$ 3,000,000.00 OCCURRENCE & AGGREGATE

IF SO INDICATED ABOVE:

- 1) Certificate Holder is named as a Loss Payee as their interest may appear

THIS CERTIFICATE OF INSURANCE IS ISSUED AT THE REQUEST AND FOR THE BENEFIT OF THE INSURED AND THE CERTIFICATE HOLDER. AON REED STENHOUSE INC. SHALL HAVE NO LIABILITY TO ANY OTHER PARTY WHO PLACES ANY RELIANCE HEREON.

DATE: December 1, 2023

Aon Reed Stenhouse Inc.
Insurance Brokers & Risk Consultants

PER: 
AUTHORIZED REPRESENTATIVE

cc: KMC Mining



Policy No: 1000598040231

**INLAND MARINE
STARR INSURANCE & REINSURANCE LIMITED
(hereinafter called the Insurer)**

Do Hereby Agree to Indemnify

KMC Mining Corporation, Klemke Contracting Ltd., KMC Mining BC Ltd.

Mailing Address

28713 – 114 Avenue
Acheson, AB T7X 6E6

Period of Insurance

From: December 1th, 2023

To: December 1th, 2024

12:01 Standard Time as set forth herein

Limit of Liability

\$30,000,000 per Occurrence excess of Deductibles
As per Declarations and Terms and Conditions of the attached Policy

Premium: CAD \$2,259,636

STARR INSURANCE & REINSURANCE LIMITED

Territory: Canada

In consideration of the premium(s) and the statements contained in the Declarations herein, the Insurer agrees with the Named Insured to insure as provided and limited in this Policy and its endorsements.

Insurance is provided for only those coverages for which endorsements are attached and a specific indication of coverage and premiums are stated hereunder. Wherever the word 'Policy' or 'Contract' is used in any form or endorsement attached, it shall be held to apply only to the specific coverage provided by that form or endorsement.

In witness whereof this Insurer has executed and attested these presents; but this Policy shall not be valid until countersigned by a duly Authorized Representative of the Insurer.

THIS POLICY CONTAINS A CLAUSE(S) THAT MAY LIMIT THE AMOUNT PAYABLE

Countersigned

Hano Pak
Chief Agent - Starr Insurance & Reinsurance Limited
Canada Branch

Steve Blakey
President - Starr Insurance & Reinsurance
Limited

Broker: Aon

Date: December 19, 2023.

This is **Exhibit "G"** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law



WARRANTY FOR LIEBHERR MINING EQUIPMENT

1. SCOPE OF WARRANTY

- 1.1 Liebherr-Canada Ltd. ("**Liebherr**") provides to the purchaser ("**Purchaser**") of the following Liebherr Dozer ("**Machine**") the Warranty set forth in section 1.2:

Machine Type	Liebherr PR 776	Serial Number	1296-25121
Delivery Date	June 5, 2023	Date of commissioning (dd/mm/yyyy)	(if blank, as stated in the Commissioning Form)
Machine service meter units (SMU) at commissioning	(if blank, as stated in the Commissioning Form)	Site of Operation	
Machine travel hours (TH) at commissioning (Liebherr excavator only)	(if blank, as stated in the Commissioning Form)	Purchaser	

- 1.2 Subject to the terms and conditions of this document, Liebherr warrants the Machine to be free from any defect in material and workmanship ("**Defect**"). If a Defect in a part or component of the Machine manifests during the relevant Warranty Period (as defined in section 2.1) Liebherr will, or will authorize third parties to, remedy the Defect by repair, or replacement of the defective part or component and will, to the extent set out in the table in section 2.1 column "Warranty Coverage", pay all cost for labour and material for such repair or replacement. It is in Liebherr's sole discretion to use new, repaired or remanufactured parts or components to replace the defective ones. The scope of warranty described in this section 1.2 is hereinafter referred to as "**Warranty**".
- 1.3 The Purchaser shall facilitate the performance of Liebherr's obligations under this Warranty by providing at no charge lifting and ancillary equipment (e.g. cranes, forklifts and other handling apparatus) as available on site.

2. WARRANTY PERIOD

- 2.1 The Warranty shall be granted for a period ("**Warranty Period**") commencing at the earlier of (a) the date of commissioning of the Machine, or the achievement of the SMU or TH at commissioning, as applicable, (hereinafter referred to as "C") [or (b) six (6) months after the date of dispatch of the Machine from the manufacturer of the Machine, and shall end on the earlier of the SMU, TH or period in months ("Months"), as applicable, indicated below under "End of Warranty Period" or (c) three (3) years after (b) above ("**Warranty Period**").

EXTENDED WARRANTY OPTION	End of Warranty Period		Warranty Coverage		
	TH/SMU	Months	Extent	Parts	Labor/Travel
Liebherr Dozer Product and specified Components:					
Complete Crawler Tractor ⁽¹⁾	C+ 6000	C+12	100%	Yes	Yes
Power Train Components ⁽²⁾	C + 12000	C + 24	100%	Yes	No
Undercarriage Wear Components ⁽³⁾	C + 1000	C + 12	100%	Yes	Yes
Parts ⁽⁴⁾	Unlimited	12	100%	Yes	Yes

(1) The Machine subject to Warranty Exclusions as per Section 5 below and excluding Undercarriage Travel Components.

(2) Power Train Components comprise in

Liebherr dozers:

Splitter box (pump drive), travel pumps, travel motors, main working pumps, drive gear (without wear parts / axial face seals); Liebherr manufactured diesel engines, except the following parts from or accessories of the diesel engines: alternator, starter, water pumps, air compressors, fuel injectors, fuel pumps and injection pumps, overhead sets, turbochargers, coupling, vibration damper, belts, belt tensioners, exhaust gas treatment system. Expressly excluded from the Power Train Components are non-Liebherr manufactured diesel engines.

(3) Undercarriage Wear Components comprise in:

Liebherr dozers: Track rollers, carrier rollers, idlers and track chains with failure mode leakage or break

LIEBHERR

- (4) Parts Warranty on new parts and OEM re-manufactured parts applies to purchased parts only. Undercarriage wear parts are limited with 1000 hours.
- 2.2 The Purchaser's contribution in a pro-rata warranty situation (as indicated in the above table in section 2.1, column "Warranty Coverage – Extent") shall be the VAT inclusive total of Liebherr's list price invoice for the full repair or replacement multiplied by a percentage determined using the formula $(FH - X) / (Y - X)$ where FH means Failure Hours (SMU or TH, as applicable) at the time of the component failure, X = Hours (SMU or TH, as applicable) at the expiry of the relevant initial warranty period (as indicated in the above table in section 2.1, column "End of Warranty Period"), and Y = Hours (SMU or TH, as applicable) at expiry of the Warranty Period for the applicable pro-rata period of the failed component ("**Purchaser's Contribution**"). Purchaser agrees to pay the Purchaser's Contribution to Liebherr as a debt due and owing.
- 2.3 The Warranty Period shall not be extended for or by the remedy of a Defect, however labour and parts utilized to remedy the Defect shall enjoy the benefit of this Warranty for the remainder of the relevant Warranty Period.

3. PARTS OR COMPONENTS REPLACED UNDER WARRANTY

All parts or components on the Machine replaced under this Warranty, shall become and remain the sole property of Liebherr. Purchaser shall, at Liebherr's request, either return such parts or components to Liebherr "Freight Prepaid" within fourteen (14) days after the supply of a replacement part or components or dispose of such parts or components at the sole cost of the Purchaser. Parts or components to be returned by the Purchaser to Liebherr shall be in a clean and assembled condition, and if applicable, properly packed, with all openings and / or connections sealed by covers, caps or plugs from the replacement part and tagged with the part ID, serial number (if applicable), model and serial number of Machine, component hours, Liebherr invoice number and the number of Purchaser's Warranty Claim.

4. CONDITIONS OF A WARRANTY CLAIM

- 4.1 Any claim under this Warranty ("**Warranty Claim**") is conditional on:
- a. Purchaser notifying Liebherr of the Defect in writing immediately, but in no event later than 48 hours after Purchaser first becomes aware of the Defect;
 - b. such notification states that it is a Warranty Claim;
 - c. such notification contains reasonable details of
 - (i) the Defect,
 - (ii) the date on which and how Purchaser first became aware of the Defect,
 - (iii) the serial number (if applicable) of the defective part and the serial number of the Machine,
 - (iv) the SMU at the date referred to in sub-paragraph (ii), and
 - (v) if applicable, the TH of the Machine at the date referred to in sub-paragraph (ii);
 - d. at Liebherr's request, Purchaser makes the Machine available to Liebherr for inspection and repair;
 - e. Purchaser maintains and makes available to Liebherr all records of scheduled services, repairs and sampling results of lubricants, greases, fluids, oil and fuel, in particular – without limitation hereto – all 250 SMU engine oil samples and all 500 SMU oil samples of hydraulic oil tanks and major components containing oil; for Liebherr dozers only: oil samples limited to engine, hydraulic oil and final drives
 - f. relating to mining trucks, Purchaser provides Liebherr with the weigh system, engine electronic and drive system electronic data records for frame and drive system related claims.
- 4.2 Any claims for warranty concerning a diesel engine not manufactured by Liebherr shall be submitted and processed by the Purchaser directly to and with the respective manufacturers or their authorized distributors. Liebherr assigns any warranty claims which Liebherr may have against the respective manufacturers to the Purchaser to the extent necessary to enable the Purchaser to make claims for warranty. This assignment shall be timely limited until the respective manufacturer either grants or definitely refuses the claimed warranties and in the latter case any claims for warranty against the manufacturer of the diesel engine and all related rights shall revert to Liebherr and Liebherr shall be free to pursue such claims and rights in its sole discretion.

5. EXCLUSION OF THE WARRANTY

- 5.1 Neither this Warranty nor any other warranty extend to any Defect or any other malfunctioning of the Machine or any part or component of it, or to any costs for, caused or contributed to by:
- a. normal wear and tear of the Machine or any part or componentry of it;
 - b. breakage or wear and tear of any part of the Machine, including – as applicable – but not limited to, bucket / blades and ground engaging tools (i.e. bucket teeth, wear parts etc.) and track components (i.e. chains, pads, sprockets, idlers and rollers) due to a violation of the payload policies for haul trucks or due to operation of the Machine under conditions of the ground or properties which a reasonably acting professional within the same industry would judge improper;
 - c. service items including but not limited to filters or filter elements, fuses, light bulbs, "V" belts, hoses, belts, brake linings, glow plugs, seals (including hydraulic cylinders re-sealing), wiper blades;

Prepared by: FG/ASE	Controlled by: FG/ASE	Doc : [FR MIN 503001] Type : FORM	Ver 1.3	Date of issue : 01.01.2020	Page 2 of 4
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LIEBHERR

- d. batteries, broken glass, two-way radios, mirrors, tires (including rims and all related hardware);
- e. re-fill, exchange or replacement of fluids, oils and greases;
- f. fire-fighting systems (including components, refills, installation or controls);
- g. operating of the Machine after a Defect is detected and before it is completely remedied;
- h. repairs, installation and/or maintenance to the Machine performed by anyone other than Liebherr or Liebherr authorized personnel;
- i. any addition, alteration or modification to the Machine or any part it, without Liebherr's prior written authorization, or the installation on the Machine and use of improper tools or equipment, in particular (in relation to excavators and dozers) without limitation to, other buckets / blades than those delivered or approved by Liebherr or any unauthorized modification of Liebherr approved buckets / blades;
- j. improper or negligent operation or maintenance of the Machine, including but not limited to, the use of improper fuels, oils, greases or other materials;
- k. abuse or misuse, or willful or gross negligent acts, including, but not limited to, acts of violence or willful damage;
- l. accident, fire, explosion, flood, vandalism, act of God, governmental acts, riots, or other external impact or influence.
- m. failure to abide by any technical standards or regulations with regard to the quality or condition of the Machine other than those explicitly set out in the contractually agreed specification of the Machine.

5.2 Liebherr does not extend this Warranty or any other warranty, express or implied, to any item not offered as standard or optional equipment and neither designed nor manufactured by Liebherr if such item is installed or incorporated in the Machine by Liebherr at Purchaser's explicit request ("Non-Liebherr-Item"). The only warranty applicable to Non-Liebherr-Items shall be the warranty provided by the original manufacturer or seller of such Non-Liebherr-Items ("**Third-Party-Warranty**"). Upon Purchaser's request Liebherr shall - to the extent permissible - assign to the Purchaser, at Purchaser's expense, any Third-Party-Warranty granted to Liebherr. Liebherr does not assume any liability for any loss of production, loss of profit or any indirect, incidental, special or consequential damages, or cost of any nature resulting from or attributable to the failure or defect of Non-Liebherr-Items.

6. WAIVER OF A WARRANTY CLAIM

- 6.1 Liebherr may waive any of its obligations and liabilities under this Warranty, if Liebherr can establish evidence or has reasonable grounds to suspect that the Purchaser failed to:
- a. operate the Machine with a fully functioning SMU Indicator at all times during the Warranty Period;
 - b. operate the Machine only with trained and qualified persons and in accordance with the operating procedures detailed in the operation and maintenance manuals which were supplied with the Machine or any other Liebherr guidelines delivered to the Purchaser;
 - c. to perform any daily and weekly inspections or any scheduled services for the Machine as specified in the operation and maintenance manuals supplied or distributed by Liebherr relating to the Machine;
 - d. to store all parts according to general industrial standards;
 - e. use only original Liebherr parts, oils or lubricants, or only such oils, greases, lubricants and fuels as Liebherr specified in the operation and maintenance manuals to the Machine otherwise;
 - f. repair any cracks in the steel structure of the Machine without delay and/or according to procedures and guidelines issued by Liebherr;
 - g. obtain Liebherr's prior written agreement to extend this Warranty in the event the Purchaser relocates the Machine to another place than it was initially delivered to by Liebherr, which agreement shall not be unreasonably withheld; and such failure has a causal connection with, contributed to, or by any means aggravated the Defect.

7. RESERVATIONS

- 7.1 Liebherr and its component suppliers assume no other obligation responsibility or liability with respect to the quality or condition of the Machine, but the obligations, responsibilities and liabilities resulting from this Warranty.
- 7.2 Liebherr reserves the right to make changes in design or add any improvement on its products at any time without incurring any obligation to install such improvements on Machines, parts or components previously delivered.
- 7.3 Except to a person or entity controlling, controlled by or under common control with the Purchaser, this Warranty is neither partly nor in whole assignable without Liebherr's prior written consent, which may be withheld in Liebherr's sole discretion. However, the Warranty in this document shall apply to all subsequent owners.

8. LIMITATION OF LIABILITY

- 8.1 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS DOCUMENT OR ANY AGREEMENT TO WHICH THIS DOCUMENT APPLIES, IN NO EVENT SHALL LIEBHERR THE MANUFACTURER OF THE MACHINE OR ITS COMPONENT SUPPLIERS BE LIABLE FOR ANY DELAY, LOSS OF REPUTATION, WORK STOPPAGE, LOSS OF USE OF ANY EQUIPMENT INCLUDING BUT NOT LIMITED TO MACHINES, LOSS OF TIME, INCONVENIENCE, LOSS OF PROFITS, OR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR COSTS OF ANY NATURE (INCLUDING LEGAL COSTS) RESULTING FROM OR ATTRIBUTABLE TO, DEFECTS IN LIEBHERR PRODUCTS, INCLUDING, BUT NOT LIMITED TO, MACHINES OR SERVICES, WHETHER RESULTING FROM NEGLIGENCE, BREACH OF THE PROMISE TO REPAIR OR REPLACE CONTAINED HEREIN, OR OTHERWISE.

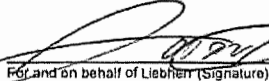
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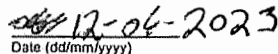
LIEBHERR

- 8.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS WARRANTY OR IN ANY AGREEMENT TO WHICH THIS WARRANTY APPLIES, THE MAXIMUM LIABILITY, IF ANY, OF LIEBHERR AND ITS COMPONENT SUPPLIERS FOR ALL DIRECT DAMAGES, WHETHER RESULTING FROM NEGLIGENCE, BREACH OF THE PROMISE TO REPAIR OR REPLACE CONTAINED HEREIN, OR OTHERWISE WITH RESPECT TO THE PARTS OR COMPONENTS OR ANY SERVICES IN CONNECTION WITH THE PARTS OR COMPONENTS, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PRICE OF THE PARTICULAR DEFECTIVE PARTS OR COMPONENT OR SERVICES.
- 8.3 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN ANY AGREEMENT TO WHICH THIS WARRANTY APPLIES, THIS DOCUMENT CONTAINS THE ONLY WARRANTY APPLICABLE TO LIEBHERR PRODUCTS AND IS EXPRESSLY IN LIEU OF ANY WARRANTIES OR CONDITIONS OTHERWISE IMPLIED BY LAW (INCLUDING ANY WARRANTY OTHERWISE IMPLIED BY LAW FOR THE PRODUCTS BY THE MANUFACTURER OR ITS COMPONENT SUPPLIERS), INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

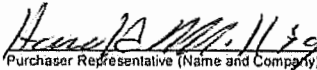
By their signatures below, the parties acknowledge that the foregoing terms, conditions, limitations and exclusions are part of an agreement to purchase and sell the Machine.


For and on behalf of Liebherr (Name and Liebherr Company)

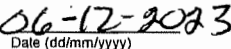

For and on behalf of Liebherr (Signature)


Date (dd/mm/yyyy)

Place


Purchaser Representative (Name and Company)


Purchaser Representative (Signature)


Date (dd/mm/yyyy)

Place

This is **Exhibit "4"** referred to in the Affidavit
of DANIEL KLEMKE sworn before me
on the **21ST** day of July, 2025.



A Commissioner for Oaths in and for
the Province of Alberta

Hamza Mandour
Student-At-Law

MASTER LEASE AGREEMENT

No. 0012739

Lessee: KMC Mining Corporation, an Alberta Corporation ("Lessee")

Street: 28712-114 Avenue

City: Acheson

Province: Alberta

Postal: T7X 6E6

This **MASTER LEASE AGREEMENT** dated as of August 9, 2022 ("**Master Lease**") is between Deutsche Leasing Canada, Corp., a Nova Scotia unlimited liability company, c/o Deutsche Leasing USA, Inc., 190 South LaSalle Street, Ste. 2150, Chicago, Illinois, USA 60603 ("**Lessor**") and Lessee.

1. **Lease.** Lessor leases to Lessee and Lessee leases from Lessor the equipment described in each lease schedule entered into pursuant to this Master Lease (each a "**Schedule**"), together with all replacement parts, additions, accessions, attachments and accessories now or hereafter made a part thereof, tangible or intangible, now or hereafter relating thereto or affixed thereon, including any documentation, records, manuals or information provided in connection therewith (the "**Equipment**") subject to the terms of this Master Lease and any terms set forth in the Schedule. Each Schedule constitutes a separate and enforceable lease incorporating all of the terms of this Master Lease (each Schedule, together with this Master Lease as it relates to such Schedule, is a "**Lease**" and this Master Lease, each Schedule and all other documents executed in connection with a Lease are the "**Lease Documents**"). If any term of a Schedule conflicts or is inconsistent with any term of this Master Lease, the terms of the Schedule will govern. Lessee authorizes Lessor to insert serial numbers and other identification data, as well as making any clerical or minor corrections as may be necessary to complete the Schedule as such information is received by Lessor.

2. **Purchase of Equipment.** If Lessee has not entered into any purchase order ("**Purchase Order**") or supply contract (a "**Supply Contract**") with the manufacturer or vendor of the Equipment (the "**Supplier**"), then Lessee authorizes Lessor to enter into a Supply Contract or issue a Purchase Order on Lessee's behalf. If Lessee has entered into a Supply Contract or issued a Purchase Order, then Lessee hereby assigns to Lessor all of Lessee's rights under the Supply Contract or Purchase Order, but none of its obligations, other than Lessee's obligation to pay the Supplier. If the Equipment is subject to an existing Supply Contract or Purchase Order, Lessee warrants that it has advised Lessor of the delivery date(s) of the Equipment.

3. **Delivery and Acceptance; Term.** (A) Upon delivery, Lessee shall inspect the Equipment within a reasonable time to determine if it is in good working order and shall execute and deliver to Lessor a certificate of acceptance in a form acceptable to Lessor (the "**Acceptance Certificate**"). Lessee acknowledges that it has made the selection of the Equipment based on its own judgment and has not relied on the judgment or skill or statements made by Lessor, and that the Equipment is of a size, design and capacity selected by Lessee and Lessee is satisfied that the Equipment is suitable for its purposes and intended use. The Equipment is deemed irrevocably accepted by Lessee on the date it executes the Acceptance Certificate (the "**Acceptance Date**"). Lessor is not obligated to advance funds until Lessor receives the Acceptance Certificate executed by Lessee. (B) The initial term as set forth in the Schedule commences on the Acceptance Date (the "**Initial Term**"). Any renewal term of the Schedule (individually, a "**Renewal Term**") commences immediately upon the expiration of the Initial Term of any prior Renewal Term, as the case may be (the Initial Term, together with any Renewal Term(s) is the "**Term**").

4. **Rent; Delinquent Payments.** (A) Lessee shall pay monthly rent as set forth in the Schedule (the "**Rent**" and when the context requires, Rent includes all additional amounts that may be payable from time to time under a Lease) on the first business day of each month during the Term. Lessee shall make all payments via pre-authorized debit (PAD) payment processing. Lessor may apply any payments made by Lessee or on Lessee's behalf to any obligations due and owing at Lessor's sole discretion. (B) If Lessee fails to pay any Rent or other amounts due hereunder within 10 days of the due date thereof, Lessee shall pay Lessor a late charge equal to five percent of the delinquent amount. Despite the preceding sentence, the late charge will not exceed the maximum permitted by law.

5. **Non-Cancelable Lease.** EACH LEASE IS A NET LEASE. LESSEE ACKNOWLEDGES THAT LESSEE'S OBLIGATION TO PAY RENT TO LESSOR, AND ALL OF LESSEE'S OTHER OBLIGATIONS UNDER EACH LEASE, ARE NON-CANCELABLE, IRREVOCABLE, ABSOLUTE AND UNCONDITIONAL AND SUCH OBLIGATIONS ARE NOT SUBJECT TO ANY ABATEMENT, SET-OFF, COUNTERCLAIM, DEDUCTION OR ANY OTHER CLAIM LESSEE MAY HAVE AGAINST THE LESSOR, MANUFACTURER, SUPPLIER OR ANY OTHER THIRD PARTY. LESSEE SHALL NOT ASSERT AGAINST LESSOR ANY CLAIMS OR DEFENSES LESSEE MAY HAVE AGAINST THE MANUFACTURER, SUPPLIER OR WITH RESPECT TO THE EQUIPMENT. LESSEE ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY SALES REPRESENTATIVE OR OTHER AGENT OF THE SUPPLIER IS AN AGENT OF LESSOR AND IS NOT AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF ANY LEASE AND ANY SUCH WAIVER OR ALTERATION WILL NOT VARY THE TERMS OF ANY LEASE.

6. **Use; Maintenance; Alterations.** (A) Lessee shall use the Equipment lawfully and only for the purpose for which the Equipment was designed and intended and shall comply with all applicable laws and maintain at all times all required permits and licenses for the use and operation of the Equipment. Lessee shall immediately notify Lessor in writing upon becoming aware of any existing or threatened investigation, claim or action by any governmental authority that could adversely affect Equipment, Lessor's rights hereunder or any Lease. (B) At Lessee's sole expense, Lessee shall: (i) maintain the Equipment to keep it eligible for any manufacturer's warranty or certification; (ii) keep the Equipment in good condition, ordinary wear and tear excepted; (iii) enter into and keep in effect during the Term a full-service maintenance contract with the manufacturer or other party acceptable to Lessor and shall provide Lessor with an executed copy of any such contract upon Lessor's request; and (iv) replace any part of the Equipment that becomes unfit for any cause with a replacement part that in Lessor's sole opinion, is of the same manufacture, value, remaining useful life and utility as the replaced part immediately preceding the replacement, assuming that such replaced part was in the condition required by the Lease ("**Replacement Parts**"). (C) Unless required by applicable law or for insurance purposes, Lessee shall not make any alterations, additions or replacements ("**Modifications**") to the Equipment without Lessor's prior written consent, which may be withheld for any reason. Any permitted or required Modifications and any Replacement Parts must be free and clear of any liens or rights of other parties and will become part of the Equipment at no cost to Lessor. Lessor may remove any Modifications or require Lessee to remove any Modifications upon expiration or earlier termination of the Lease at Lessee's sole expense. (D) Lessee shall notify Lessor of any material damage to, or material repairs of, the Equipment within 10 days of such an event.

7. **Return of Equipment.** Except as otherwise provided in the Schedule, upon the expiration or earlier termination or cancellation of each Lease, Lessee, at its sole expense, shall (i) cause the manufacturer (or other party acceptable to Lessor) to de-install, assemble and pack the Equipment and (ii) return the Equipment to Lessor by delivering the Equipment to and unloading it at such location as Lessor specifies. The Equipment must be in the same condition required by the Lease and must contain all applicable manuals and records. Upon Lessor's request, Lessee will obtain from the manufacturer (or other maintenance service provider previously approved by Lessor) a certificate stating that such Equipment qualifies for full maintenance service at the standard rates and terms then in effect. If in Lessor's sole opinion, the Equipment fails to meet the standards set forth in the Lease and any additional requirements set forth in the Schedule (the "**Required Condition**"), Lessee shall pay, on demand, all costs and expenses incurred in connection with repairing and restoring the Equipment to the Required Condition. If Lessee fails to return any Equipment as required hereunder, then Lessee's obligation to pay Rent for the Equipment at the rental then applicable under the Lease, and all of Lessee's other obligations under the Lease, will continue in full force until such Equipment is returned in the Required Condition. Without limiting any other terms or conditions, the compliance of the Equipment to the Required Condition is of the essence of each Lease and upon application to any court having jurisdiction, Lessor is entitled to a decree or an order against Lessee requiring Lessee's specific performance of its agreements and undertakings with respect thereto.

8. **Location; Inspection.** (A) Lessee shall not remove the Equipment from the location specified in the applicable Schedule without Lessor's prior written consent, which may be withheld for any reason. (B) Lessor may enter upon the premises where the Equipment is located and inspect the Equipment at any reasonable time. The right of Lessor to inspect the Equipment shall extend to the right to inspect all records pertaining to the use, operation, maintenance and repairs of the Equipment. At Lessor's request, Lessee shall: (i) affix permanent labels in a prominent place on the Equipment identifying Lessor's interest in the Equipment; (ii) keep such labels in good repair and condition; and (iii) provide Lessor with an inventory listing of all labeled Equipment within 30 days of Lessor's request. Lessee hereby acknowledges that the Equipment may be equipped with a global positioning tracking system device for Lessor's use and the Lessee hereby provides its consent with respect thereto.

9. **Taxes.** Lessee shall pay when due, and shall indemnify and hold harmless Lessor on a net after-tax basis from and against, any and all taxes, fees, withholdings, levies, imposts, duties, assessments, charges of every kind and nature whatsoever and any related penalties and interest imposed upon or against Lessor, any Assignee (as hereinafter defined), Lessee, or any Equipment by any governmental authority in connection with, arising out of or otherwise related to the manufacture, shipment, import, export, purchase, ownership, delivery, installation, leasing, operation, possession, use, return or disposition of the Equipment, the Lease Documents, or the Rent and receipts or earnings arising therefrom and excluding only taxes on or measured solely by Lessor's net income, and Lessee undertakes to collaborate fully with Lessor in the event of any challenge or proceedings in regards to same. Lessor is not responsible and shall not be liable to Lessee for contesting any valuation of, or tax imposed on, the Equipment. Upon expiration or earlier termination or cancellation of any Lease, Lessee shall advance to Lessor the amount estimated by Lessor to be the taxes on said Equipment that are not yet payable, but for which Lessee is responsible. At Lessee's written request, Lessor shall provide Lessee with Lessor's method of computation of any such estimated taxes.

10. **Risk of Loss; Damage.** (A) Lessee shall bear the entire risk of loss (including, without limitation, theft, destruction, disappearance of, or damage to the Equipment from any cause whatsoever), whether or not insured, during the Term of each Lease and until the Equipment is returned to Lessor in the Required Condition. (B) In the event the Equipment is lost, stolen or damaged beyond repair, or confiscated, seized or the use or title thereof taken by someone other than Lessee (any such event being a "Loss"), Lessee shall immediately notify Lessor in writing and shall continue to pay Rent. At Lessor's option, Lessee shall then (i) replace the Equipment with equipment that, in Lessor's sole opinion, is of the same manufacture, value, remaining useful life and utility as the replaced Equipment immediately preceding the Loss, assuming such replaced Equipment was in the condition required by the Lease or (ii) pay to Lessor the sum of all Rent due and owing under the Lease as of the payment date specified in the notice plus the Stipulated Loss Value (as defined in the Schedule) and upon payment of those amounts, the Lease will terminate and Lessee or Lessee's insurer is entitled to Lessor's interest in the applicable Equipment, "AS-IS, WHERE IS" without any warranties whatsoever, express or implied. The Stipulated Loss Value shall be conclusively deemed, as between the parties to be a genuine pre-estimate of the damages suffered by Lessor in the circumstances and not of a penalty.

11. **Insurance.** (A) At all times during the Term of each Lease and at Lessee's sole expense, Lessee shall maintain insurance in the amounts and for the coverage and limitations as a prudent person would do in similar circumstances and, as a minimum, maintain the following coverage (i) property insurance against all risks of theft, physical loss or damage to the Equipment for its full replacement value or Stipulated Loss Value, whichever is greater, and (ii) general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage per occurrence as stated in the Schedule. (B) Lessee shall cause all insurance policies required under each Lease to: (i) include terms, deductibles, and with carriers that are, reasonably satisfactory to Lessor; (ii) name Lessor, its successors and assigns, as additional insured parties and sole loss payee where applicable; (iii) provide that the policy cannot be canceled or altered without at least 30 days advance written notice to Lessor of any material modification, cancellation or non-renewal; and (iv) contain a waiver of subrogation in favor of Lessor. On each anniversary of the first day of the Initial Term, not less than one business day prior to the renewal of each required policy, Lessee shall deliver to Lessor certificates or other proof of insurance satisfactory to Lessor evidencing the coverage required by this Section. (C) Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact for the purpose of signing, endorsing or taking other necessary action relating to or receiving payment for any loss or damage under the policies of insurance covering the Equipment.

12. **Disclaimer of Warranties.** LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO TITLE TO, DESIGN, OPERATION, CONDITION, OR QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), OR LACK OF INFRINGEMENT ON ANY PATENT, TRADEMARK OR COPYRIGHT, OR ANY OTHER MATTER WHATSOEVER, AND LESSOR HEREBY DISCLAIMS ALL SUCH WARRANTIES, IT BEING UNDERSTOOD THAT THE EQUIPMENT IS LEASED TO LESSEE "AS IS, WHERE IS." LESSEE ACKNOWLEDGES THAT LESSEE HAS MADE THE SELECTION OF THE EQUIPMENT FROM THE SUPPLIER BASED ON ITS OWN JUDGMENT AND DISCLAIMS ANY RELIANCE ON ANY STATEMENTS OR REPRESENTATIONS MADE BY LESSOR. Lessor hereby assigns to Lessee for the Term of each Lease without recourse and for so long as Lessee is not in default under any Lease, any warranty provided by the Supplier. Lessee agrees, regardless of the cause, not to assert any claim whatsoever against Lessor for any indirect, special, incidental or consequential damages.

13. **Right to Perform for Lessee.** If Lessee fails to perform any of its obligations with respect to any Lease, Lessor may (but is not obligated to) perform such obligations on behalf of the Lessee. Lessee shall pay the reasonable costs, expenses, reasonable attorneys' fees, and any other liability Lessor incurs in connection with that performance, together with interest on such amount at the lesser of eighteen percent (18%) per annum or the maximum permitted by law (the "Overdue Rate"). Any performance by Lessor will not be deemed a waiver of any rights or remedies of Lessor nor will such performance cure the default of Lessee under the Lease.

14. **Equipment; Liens.** (A) Lessee represents and warrants that (i) the Equipment will at all times be used solely for commercial or business purposes; (ii) the Equipment will remain fully removable personal property notwithstanding any affixation or attachment to real property or improvements or any other property not constituting Equipment; and (iii) title to, ownership of, and property in, the Equipment shall at all times remain vested exclusively in Lessor, subject only to the rights of Lessee to use the Equipment pursuant to the provisions of this Lease and the right of Lessee to purchase the Equipment pursuant to any option granted in this Lease and other than those created by or through Lessor, the Equipment is not subject to, and Lessee shall keep the Equipment free and clear from, any claims, liens, rights or encumbrances of any kind or of any nature (whether senior, junior, subordinate or equal to the security interest granted to Lessor hereby or otherwise). (B) If any prohibited claim, lien, right or encumbrance attaches to the Equipment, Lessee shall (i) give Lessor immediate written notice thereof and (ii) promptly, and at Lessee's sole cost and expense, protect and defend Lessor from any claim, lien, right or encumbrance.

15. **Personal Property Security Act Filings.** Lessee acknowledges that Lessor shall register such financing statements under the applicable Personal Property Security Act ("PPSA") and other legislation of similar purpose, or, under Quebec laws, by publishing a reservation of ownership at the Quebec Register of Personal and Movable Real Rights ("RPMRR"), that in Lessor's sole discretion are deemed necessary or proper to secure or protect Lessor's interest in the Equipment. Lessee shall do all things and execute and deliver all such further documentation as Lessor may require to give effect to or better evidence or perfect the full intent and meaning of this Lease. Lessee authorizes Lessor to register its rights in this Lease at the Quebec RPMRR as applicable, and to file such financing statements, and financing change statements under the applicable PPSA in any relevant province, and do all acts and things as Lessor deems appropriate to perfect and render opposable Lessor's rights under this Lease by way of first rank security and protect and preserve the Equipment, including completing or correcting any information on the first page of this Lease or in the Schedule and Lessee irrevocably appoints Lessor its lawful attorney and mandatory for such purposes. Lessee shall provide written notice to Lessor at least 30 days prior to any

contemplated change in Lessee's name, form of organization, jurisdiction of organization or address of its chief executive office (as such term is used in the applicable PPSA, i.e., the office where Lessee manages the main part of its business) and any material change concerning the Equipment, including the use by an affiliate of Lessee. Lessee waives its right to receive a copy of any financing statement or financing change statement filed by Lessor and any related verification statement.

16. Default. Each of the following is a "Default": (i) Lessee fails to pay any Rent or any other amount due under any Lease within 10 calendar days of its due date; (ii) Lessee fails to perform or observe any covenant, condition or agreement to be performed or observed by it under the Lease Documents, or any other agreement with Lessor or its affiliates; (iii) Lessee ceases doing business, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy or similar law, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangements, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of it or of all or any substantial part of its assets or properties, or if Lessee or its shareholders take any action looking to its dissolution or liquidation; (iv) Lessee is a party to any mergers or consolidates with any other entity, is the subject of a change of control, or sells, leases or disposes or attempts to sell, lease or dispose of all or substantially all of its assets without the prior written consent of Lessor; (v) Lessee is dissolved; (vi) Lessee attempts to remove, sell, transfer, encumber, part with possession or sublease the Equipment without Lessor's prior written consent; (vii) Lessee defaults in the payment or performance of any obligation or indebtedness of any kind, whether direct, indirect, absolute or contingent, due or to become due, now existing or hereafter arising; (viii) any representation or warranty made by Lessee under the Lease Documents proves to have been false or misleading when made; (ix) any material adverse effect on the condition (financial or otherwise), business, operations, status, assets, liabilities or prospects of Lessee, Lessee's ability to perform any obligations under this Lease, any other obligation under any other agreements with Lessor, or on the rights and remedies of Lessor hereunder or thereunder; or (x) if applicable, any guarantor becomes subject to any of the events listed in the clauses above. A Default with respect to a Lease shall, at Lessor's option, constitute a Default for any other leases or agreements between Lessor and Lessee. The waiver by Lessor of any breach of any obligation of Lessee shall not be deemed a waiver of any future breach of the same or any other obligation. Lessee shall be in default with respect to the performance of its obligations as a result of mere lapse of time regarding such performance without the necessity of any notice or demand on the part of Lessor.

17. Remedies. No remedy of Lessor hereunder is exclusive of any other remedy provided herein or by law, but each is cumulative and in addition to every other remedy, rights and recourses available to the Lessor and which the Lessor may exercise successively, separately or together, in any order or combination. (A) In the event of a Default, Lessor, at its option, may (but is not obligated to): (i) cancel or terminate any or all Leases effective on the date of the Default without prejudice to any other remedy under the Lease; (ii) proceed by appropriate court action in law or equity to enforce performance by Lessee of any Lease or to recover incidental, consequential, or any other damages; (iii) enter upon the premises of Lessee or where any Equipment may be located and, without notice to Lessee or with or without legal process, repossess any or all of the Equipment without liability to Lessee by reason of such entry or taking of possession, and without such action constituting a cancellation or termination of the Lease unless Lessor notifies Lessee in writing to such effect; (iv) elect to sell, lease or otherwise dispose of any or all of the Equipment or to hold or keep idle all or part thereof; (v) declare immediately due and payable any unpaid Rent, late charges and any other amounts due under any and all Leases that accrued on or before the occurrence of the Default, plus an amount equal to the Stipulated Loss Value for the Equipment as of the rent payment date immediately preceding the date Lessor declares the Default and in addition, all legal fees on a solicitor-client basis and other costs incurred by Lessor relating to the enforcement of its rights under the Lease (and such amount will bear interest from the date Lessor declares the Lease in Default until paid in full at the Overdue Rate), the whole being conclusively deemed, as between the parties, to be a genuine pre-estimate of the damages suffered by Lessor in the circumstances and not of a penalty; (vi) require Lessee to deliver the Equipment under any or all Leases in accordance with any return conditions provided in the Lease; or (vii) exercise any other right or remedy available to Lessor under the Lease or applicable law. Notwithstanding the foregoing, in no event will Lessee be obligated to pay any amount in excess of that permitted by law. (B) Lessee shall remain liable for any deficiency remaining should Lessor sell or otherwise dispose of the Equipment and any purchase by Lessor of the Equipment may be through a credit to some or all of Lessee's obligations under any Lease by way of set-off. Each Lessee, if more than one, and each guarantor acknowledge that their liability is joint and several. Applicable in Quebec: each Lessee, if more than one, and each guarantor acknowledge that their liability and obligations hereunder are solidary and, to the extent applicable, hereby waive the benefits of division and discussion, and each Lessee and guarantor hereby renounce the benefit of the term.

18. Fees and Expenses. Lessee shall pay Lessor's costs and expenses resulting from auditor requests, legal fees, collection agencies, appraisers or other professional fees, returned cheque or non-sufficient funds charges, lien searches, filing any financing statements, amendments, continuations or releases, any sale or re-lease of the Equipment, storage costs, or any other reasonable costs and expenses incurred by Lessor in enforcing any of the terms, conditions or provisions hereof or in protecting Lessor's rights hereunder.

19. Sublease and Assignment. (A) LESSEE SHALL NOT (i) ASSIGN, SELL, TRANSFER, PLEDGE, HYPOTHECATE OR OTHERWISE DISPOSE OF ANY LEASE, EQUIPMENT OR ANY INTEREST THEREIN, (ii) RENT, SUBLET OR LEND EQUIPMENT TO ANYONE; (iii) PERMIT EQUIPMENT TO BE USED BY ANYONE OTHER THAN LESSEE AND ITS QUALIFIED EMPLOYEES; or (iv) DO ANYTHING THAT MAY RESULT IN THE PERSONAL PROPERTY SECURITY AND/OR OTHER RIGHTS GRANTED TO LESSOR TO BE OTHER THAN A FIRST RANKING SECURITY. Lessee remains primarily liable for all obligations under the Lease notwithstanding any use by an affiliate. (B) Lessor, at any time with or without notice to Lessee, may sell, transfer, assign, or grant a security interest in all or any part of Lessor's interest in a Lease or any Equipment (each a "Transfer"). Any purchaser, transferee, assignee or secured party of Lessor (each an "Assignee") will have the same rights and benefits under the Lease and Lessee agrees not to assert against Assignee any claim that Lessee may have against Lessor. Upon Lessor's or an Assignee's request, Lessee shall execute an acknowledgement of any Transfer and to the extent that an Assignee assumes all of Lessor's obligations, release Lessor from any further obligations under the Lease. Following such Transfer, the term "Lessor" will refer to each Assignee. Lessee will provide reasonable assistance to Lessor to complete transactions contemplated by (B). (C) Subject to the restriction on assignment contained in subsection (A), the Lease Documents shall inure to the benefit of, and are binding upon, each person who becomes bound thereto as a "new debtor" as set forth in the PPSA and any other successors and assigns of the parties.

20. Indemnification. Lessor shall not be liable to Lessee for, and Lessee shall indemnify and hold harmless Lessor, its officers, directors, managers, employees, agents, successors and assigns, on an after tax basis, from and against any and all liabilities, claims, demands, causes of action, suits, penalties, losses, costs or expenses, legal fees, obligations, and judgments of whatever kind and nature (each a "Liability") arising out of or in any way related to: (i) Lessee's failure to perform any obligation or covenant under the Lease Documents; (ii) the untruth of any representation or warranty made by Lessee under the Lease Documents; (iii) the order, manufacture, purchase, ownership, selection, acceptance, rejection, possession, rental, sublease, operation, use, maintenance, control, loss, damage, destruction, removal, storage, surrender, sale, condition (including, but not limited to, latent and other defects, whether or not discoverable by Lessor or Lessee), return or other disposition of or any other matter related to any Equipment regardless of where, how and by whom operated; (iv) patent, copyright or trademark infringement; (v) environmental claims, investigation, removal, clean-up and remedial costs; or (vi) injury to persons (including, without limitation, death), property or the environment, any liability based on strict liability in tort, negligence, breach of warranties or Lessee's failure to comply fully with applicable law or regulatory requirements. The foregoing indemnity does not extend to any Liability to the extent resulting solely from the gross negligence or willful misconduct of Lessor.

21. Conditions Precedent. Lessor's obligation to pay the Supplier or advance any funds hereunder is conditioned upon Lessor's determination that all of the following have been received or satisfied: (i) the applicable insurance certificate evidencing due compliance with Section 11, (ii) if requested,

lien searches in the jurisdiction of Lessee's organization, location of the Equipment, or such other location as Lessor may require; (iii) PPSA filings and confirmation of registration at the RPMRR, and if requested, lien waivers, subordinations and real property waivers; (iv) a certificate of an appropriate officer of Lessee certifying (a) the resolutions duly authorizing the transactions contemplated in the related Lease Documents and (b) the incumbency and signature of the officers of Lessee authorized to execute the related Lease Documents and such certificate; (v) if requested, good standing certificates from the jurisdiction of Lessee's organization and of operations, copies of Lessee's organizational documents and evidence of Lessee's organizational, business and tax number; and (vi) such other documents, agreements, filings, certificates, opinions, and assurances as Lessor may reasonably require.

22. Financial and Other Data. During the Term, Lessee shall furnish to Lessor (i) as soon as available, and in any event within 120 days after the last day of each fiscal year, financial statements of Lessee and any guarantor (if applicable) and (ii) from time to time as Lessor may reasonably request, other financial reports, federal or provincial income tax returns, information or data and quarterly or interim financial statements of Lessee. All such information is to be audited (or if audited information is not available, compiled or reviewed) by an independent certified chartered accountant.

23. Representations and Warranties of Lessee. Lessee represents and warrants that: (i) if Lessee is a registered entity, it is duly organized, validly existing and in good standing under the laws of the province of its incorporation or organization, which is properly identified herein, and is qualified to do business where necessary to carry on its business and operations and own its property; (ii) Lessee is doing business only under the names disclosed herein and Lessee's principal address is correctly stated herein; (iii) Lessee's true and correct legal name is stated herein; (iv) this Master Lease and each of the other Lease Documents when entered into will have been duly authorized, executed and delivered by Lessee and constitute the valid, legal and binding obligation of Lessee, enforceable in accordance with their terms; (v) the execution, delivery and performance by Lessee of its obligations under the Lease Documents will not violate any judgment, order, law, decree or governmental regulation applicable to Lessee or contravene any provision of Lessee's charter, articles of incorporation, by-laws or other organizational documents, or result in any breach or default under any instrument or agreement to which Lessee is a party or by which Lessee or its assets may be bound; (vi) to the best of its knowledge there are no actions or proceedings, threatened, pending or proceeding, to which Lessee is a party, which, either individually or in the aggregate, would adversely affect the financial condition of Lessee or the ability of Lessee to perform its obligations hereunder or any of the Lease Documents; (vii) Lessee is not in default under any obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent under any lease agreement which, either individually or in the aggregate, would adversely affect the financial condition of Lessee or the ability of Lessee to perform its obligations hereunder; (viii) the financial statements of Lessee (furnished before and during the term of any Lease) have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations; (ix) no Default exists hereunder.

24. Lessee Waiver. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE TO RECOVER INCIDENTAL OR CONSEQUENTIAL DAMAGES FROM LESSOR FOR ANY BREACH OF WARRANTY OR FOR ANY OTHER REASON OR TO SET-OFF OR DEDUCT ALL OR ANY PART OF ANY CLAIMED DAMAGES RESULTING FROM LESSOR'S DEFAULT, IF ANY, UNDER THE RELATED LEASE.

25. Quiet Enjoyment. So long as no Default has occurred and is continuing, Lessee will peaceably hold and quietly enjoy the Equipment without interruption by Lessor or any person or entity rightfully claiming an interest through Lessor.

26. Software. Where rights to receive license fees for software used in connection with the Equipment (together with all related documentation, corrections, updates and revisions, "Software") are included in the amount financed by Lessor under the Lease, references to leasing, purchases, ownership and administration of "Equipment" under the Lease will be broadly interpreted to include such fees. To the extent that any Schedule relates to Software, Lessee acknowledges that: (i) all Software is furnished to Lessee under one or more separate license agreements governing Lessee's rights thereto; (ii) no Lease conveys any explicit or implicit license for the use of the Software or other intellectual property relating to the Equipment; and (iii) Lessor does not hold title to any Software, cannot transfer title or any rights to the Software to Lessee, and Lessee is or shall be licensee of such Software directly from the licensor.

27. Declaration Regarding Data Protection. (A) Deutsche Leasing AG acts as a central data processor for Lessor and other Deutsche Leasing Group companies, using data processing systems in order to ensure that the customers of Deutsche Leasing Group receive comprehensive assistance and advice. For this reason, the data collected by the Lessor are stored and processed in Deutsche Leasing AG's data processing systems. Deutsche Leasing AG uses one or several commissioned data processors for collecting, processing or using personal data. Contracts on commissioned data processing pursuant to sec. 11 of the German Data Protection Act (BDSG) are in place with each commissioned data processor, according to which the commissioned data processors are obliged to implement technical and organization measures within the meaning of sec. 9 BDSG in conjunction with Exhibit 1 to the BDSG. Deutsche Leasing AG may provide corresponding information upon request. (B) The data kept by Deutsche Leasing AG comprise all customer data contained in the contract form as well as all data collected in connection with the arrangement, acceptance, performance and completion of the contract as well as all agreements concluded in this context (e.g. insurance and financing contracts) ("Contract Data"). The data also comprise all information on the Lessor's exposure, risk assessment and risk development that are required under statutory law and banking supervisory regulations. The risk assessment is based on data procured from credit agencies such as Trans Union, Experian and others; it may also be made on the basis of automated procedures for the processing of personal data, taking into account all Contract Data. (C) The Lessor and Deutsche Leasing AG use the Contract Data for performing the contract. This includes all measures supporting the conclusion, performance and completion of the contractual relationship and all further agreements concluded in this context, inter alia, with third parties, like e.g. the (re-)financing of the contract and insurance related to the contract as well as measures required to comply with Deutsche Leasing Group's statutory or regulatory obligations. Risk assessment may be performed by Deutsche Leasing Finance GmbH or Deutsche Leasing AG on behalf of the Lessor, whereby Deutsche Leasing Finance GmbH or Deutsche Leasing AG may access the Contract Data for this purpose. (D) The Lessor and Deutsche Leasing AG make appropriate arrangements and take further measures to ensure that an adequate level of data protection applies where Deutsche Leasing Group companies are granted access to and use of personal Contract Data.

28. Provincial Terms and Waivers. (A) Applicable to the Province of Quebec: Without prejudice to any of the provisions hereof, with respect to any Equipment that will be located in or destined for the Province of Québec, the following provisions shall also be applicable: This Master Lease and each Lease relating to such Equipment shall be deemed to be a leasing contract (*crédit-bail*) pursuant to the provisions of Article 1842 and following of the *Civil Code of Québec* ("CCQ"). Accordingly, Lessor shall be deemed to be the "lessor" of the Equipment, Lessee shall be deemed to be the "lessee" thereof and the Supplier shall be deemed to be the "third person" referred to in such provisions, and Lessor may publish (i.e. perfect) its rights of ownership in connection with the Equipment pursuant to Article 1847 CCQ at the Register of Personal and Movable Real Rights (Québec) ("RPMRR"). Moreover, notwithstanding any and all of Lessor's rights and recourses under CCQ or any other applicable law, Lessor may, in its sole discretion and without any obligation, publish in its favor a single registration of its rights of ownership against Lessee at the RPMRR under Article 2961.1 CCQ in connection with the Equipment of the same kind leased from time to time hereunder and Lessee hereby irrevocably authorizes Lessor to prepare and complete one or more registration application form(s) containing the description of such Equipment, and file same at the RPMRR against Lessee. Lessee hereby represents and warrants that this Master Lease and the Lease Documents are entered into for business purposes only. Lessee shall ensure that the Equipment does not lose its individuality during the Term of each Lease. Notwithstanding Section 32 below dealing with governing law

and venue, the laws of Québec and all federal laws applicable therein shall also govern all matters arising under or relating to each Lease relating to any Equipment that will be located in or destined for the Province of Québec without giving effect to conflicts of law principles, and Lessee hereby submits to the non-exclusive jurisdiction of the provincial and federal courts located in Québec with respect thereto. For all purposes pursuant to which the interpretation or construction of this Master Lease and/or the Lease Documents may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec: (i) "personal property" shall include "movable property"; (ii) "real property" shall include "immovable property"; (iii) "tangible property" shall include "corporeal property"; (iv) "intangible property" shall include "incorporeal property"; (v) "security interest", "mortgage", "encumbrance" and "lien" shall include a "hypothec", "prior claim" and a "resolutive clause"; (vi) all references to filing, registering or recording under the PPSA shall include publication under the CCQ; (vii) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties; (viii) any "right of offset", "right of setoff" or similar expression shall include a "right of compensation"; (ix) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities; (x) an "agent" shall include a "mandatary"; (xi) "joint and several" shall include "solidary"; (xii) "gross negligence" or "willful misconduct" shall be deemed to be "intentional or gross fault"; (xiii) "beneficial ownership" shall include "ownership on behalf of another as mandatary"; (xiv) "priority" shall include "prior claim"; and (xv) "mechanic" or "construction" lien shall include "legal hypothec". All other provisions of this Master Lease and/or the Lease Documents shall apply and be adapted to Lessee and any Equipment that will be located in or destined for the Province of Québec, *mutatis mutandis*. (B) Applicable to all of Canada: To the full extent permitted by law or statute, Lessee hereby waives the benefit of any and all provisions in any applicable provincial jurisdiction which would in any manner affect, restrict or limit the rights and remedies of Lessor hereunder, including without limitation, the provisions of *The Limitation of Civil Rights Act* (Saskatchewan), *The Distress Act* (Manitoba), *The Civil Code* (Quebec) and *The Law of Property Act* (Alberta), as these may be amended or supplemented to from time to time, and hereby waives any rights Lessee may have thereunder.

29. **Notices.** All notices or other communications under any Lease must be in writing and sent to the party at its address set forth above or at such other address as any party may designate by notice in accordance with this Section. Notices will become effective (i) upon hand delivery or delivery by an overnight carrier, (ii) upon receipt of an electronic communication (email), or (iii) upon 3 business days after being sent with proper postage certified mail, return receipt requested.

30. **Counterparts.** The Lease Documents may be executed in counterparts, each of which when so executed and delivered will be an original, but all such counterparts together will consist of one and the same instrument. Despite the preceding sentence, to the extent that a Lease Document constitutes chattel paper under the PPSA, no security interest therein may be created other than through the transfer or possession of the original counterpart, which will be identified by Lessor.

31. **Miscellaneous.** (A) Time is of the essence with respect to Lessee's obligations under each Lease. (B) Captions are intended for convenience or reference only, and shall not be construed to define, limit or describe the scope or intent of any provisions hereof. (C) Each Lease, together with all other Lease Documents, constitutes the entire agreement between the parties with respect to the subject matter thereof and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning the same subject matter. (D) Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in any Lease Documents are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures. Delivery of an executed copy of any Lease Documents by facsimile, scanned copy or electronic transmission constitutes valid and effective delivery and shall be deemed as effective for all purposes as delivery of a manually executed copy. In the event the Lease Documents are electronically executed, the Lessor may hold, use, share and transfer the information contained in such Lease Documents with its affiliates or third party service providers located outside of Canada in which case, the information will be subject to the applicable laws of the jurisdiction where the information is located and therefore, the Lessor may be required to disclose the information contained in the Lease Documents to the authorities of such jurisdiction. (E) No amendment to a Lease will be effective unless it is in writing and signed by both parties. In the event the Lease Documents are electronically executed, the Lessor may hold, use, share and transfer the information contained in such Lease Documents with its affiliates or third party service providers located outside of Canada in which case, the information will be subject to the applicable laws of the jurisdiction where the information is located and therefore, the Lessor may be required to disclose the information contained in the Lease Documents to the authorities of such jurisdiction. (F) Should a provision of any Lease be held by a court to be unenforceable, the remaining provisions will remain in full force. (G) If more than one person or entity executes the Lease Documents as "Lessee", the obligations of "Lessee" shall be deemed joint and several and all references to "Lessee" shall apply both individually and jointly. Applicable in Quebec: each Lessee, if more than one, and each guarantor acknowledge that their liability and obligations hereunder are solidary and hereby waive the benefits of division and discussion. (H) All obligations, indemnities, representations and warranties of Lessee under each Lease survive such Lease's execution, assignment, expiration or earlier termination. (I) If Lessor charges and collects any sum of money that exceeds the maximum amount permitted under usury or any other laws, then Lessor shall promptly refund to Lessee all such excess amounts and such refund is Lessee's sole and exclusive remedy with respect to any such overcharge.

32. **Governing Law and Venue.** THIS AGREEMENT AND ALL OTHER RELATED INSTRUMENTS AND DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE JURISDICTION WHERE THE ADDRESS OF THE LESSEE IS LOCATED AS INDICATED ON THE FIRST PAGE OF THIS AGREEMENT AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL. The parties agree that any action or proceeding arising out of or relating to this Agreement may be commenced in any court of competent jurisdiction in the said jurisdiction, and each party submits to the jurisdiction of such court and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of said jurisdiction. Any provision of this Agreement and of any related instrument or document that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to Lessor, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

33. **Waiver of Jury Trial.** LESSOR AND LESSEE EACH HEREBY KNOWINGLY, WILLINGLY AND VOLUNTARILY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING UNDER OF OR RELATING TO THE EQUIPMENT OR LEASE DOCUMENTS.

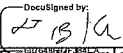
34. **Language Primacy.** The parties have expressly requested that this Lease and all documents related hereto be written in the English language. *Les parties aux présentes ont expressément exigé que le présent contrat de Crédit-bail et tous les documents s'y rattachant soient rédigés en anglais.*

This Master Lease is effective as of the date first written above.


{Signature Page to Follow}

Deutsche Leasing 

KMC Mining Corporation

Signature: 
Print Name: Dan Kiemke
Title: Executive Chairman
Date: 9/23/2022

Deutsche Leasing Canada, Corp.

Signature: 
Print Name: Jimmy Krsanac
Title: Vice President, Head of Operations
Date: 09/23/2022

Copy of
Original

AMENDMENT NO. 1 to the MASTER LEASE AGREEMENT

Dated as of: September 19, 2022

Lessee: KMC Mining Corporation, an Alberta Corporation ("Lessee")**Street:** 28712-114 Avenue**City:** Acheson**State:** Alberta**Zip:** T7X 6E6

This **AMENDMENT NO. 1** ("Amendment") is to the Master Lease Agreement No. 0012739 dated August 9, 2022 between Deutsche Leasing Canada, Corp., a Nova Scotia unlimited liability company located at c/o 190 South LaSalle Street, Ste. 2150, Chicago, Illinois 60603 ("**Lessor**") and Lessee.

1. Amendment. The Master Lease Agreement is hereby amended as follows:

- a. **Section 7 Return of Equipment subsection (ii)** is amended by deleting 'at such location as Lessor specifies' and adding 'at such location specific in the Lease Schedule'.

Therefore, Section 7 (ii) now reads: "(ii) return the Equipment to Lessor by delivering the Equipment to and unloading it at such location specific in the Lease Schedule".

- b. **Section 9 Taxes** is amended by deleting 'by any governmental authority' of the first sentence and adding 'by any provincial and federal Canadian government authority'.

Therefore, the first sentence of Section 9 now reads: "Lessee shall pay when due, and shall indemnify and hold harmless Lessor on a net after-tax basis from and against, any and all taxes, fees, withholdings, levies, imposts, duties, assessments, charges of every kind and nature whatsoever and any related penalties and interest imposed upon or against Lessor, any Assignee (as hereinafter defined), Lessee, or any Equipment by any provincial and federal Canadian government authority in connection with, arising out of or otherwise related to the manufacture, shipment, import, export, purchase, ownership, delivery, installation, leasing, operation, possession, use, return or disposition of the Equipment, the Lease Documents, or the Rent and receipts or earnings arising therefrom and excluding only taxes on or measured solely by Lessor's net income, and lessee undertakes to collaborate fully with Lessor in the event of any challenge or proceedings in regards to same. Lessor is not responsible and shall not be liable to Lessee for contesting any valuation of, or tax imposed on, the Equipment."

- c. **Section 19 Sublease and Assignment subsection A (iii)** is amended to read:

"(iii) PERMIT EQUIPMENT TO BE USED BY ANYONE OTHER THAN LESSEE AND ANY QUALIFIED OPERATORS;"

- d. **Section 32 Governing Law and Venue** is amended by adding the word 'EXCLUSIVELY' in the first sentence.

Therefore, the first sentence of Section 32 now reads: "THIS AGREEMENT AND ALL OTHER RELATED INSTRUMENTS AND DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL, IN ALL RESPECTS, BE GOVERNED BY, AND CONSTRUED EXCLUSIVELY IN ACCORDANCE WITH, THE LAWS OF THE JURISDICTION WHERE THE ADDRESS OF THE LESSEE IS LOCATED AS INDICATED ON THE FIRST PAGE OF THIS AGREEMENT AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL."

2. Continuation of Financing Agreement. Except as provided herein, the Master Lease Agreement remains unchanged and in full effect.

This Amendment is effective as of the date first above written.

KMC MINING CORPORATIONBy: 

Name: Dan Kleinke

Title: Executive Chairman

DEUTSCHE LEASING CANADA, CORP.By: 

Name: Jimmy Krsanac

Title: Vice President, Head of Operations

LEASE SCHEDULE

No. 001

Lessee: KMC Mining Corporation, an Alberta Corporation ("Lessee")

Street: 28712-114 Avenue

City: Acheson

Province: Alberta

Postal Code: T7X 6E6

This LEASE SCHEDULE NO. 001 between ("Schedule") Deutsche Leasing Canada, Corp. a Nova Scotia unlimited liability company ("Lessor") and Lessee is dated as of September 19, 2022 and is issued in connection with the Master Lease Agreement dated August 9, 2022 between Lessor and Lessee (the "Master Lease"). Any defined terms used but not defined herein have the meaning assigned to them in the Master Lease.

Equipment:

No.	Quantity	Manufacturer	Model No./Description/Serial No.
1	1	Liebherr-Canada Ltd.	LIEBHERR PR 736 LGP G8 S/N# 022432-1736

Location: Wood Buffalo, Alberta (include county if fixture filing required)

Initial Term: 48 months

Rent: CAD \$12,615.79 per month in advance plus applicable taxes

Purchase Option Price: CAD \$60,961.00

Security Deposit: N/A

Return Date: N/A

Model	Serial No	Shift Usage	Usage per year	Overage charge
PR 736 LGP G8	022432-1736	Operating hours	4000	50.00 CAD per hour

A. **Initial Term and Interim Term.** If the Acceptance Date falls on the first day of the month, then the Initial Term begins on that date. If the Acceptance Date does not fall on the first day of the month, the Initial Term will begin on the first day of the month following the Acceptance Date.

B. **Additional Amounts Due.** Lessee shall pay to Lessor the following amounts in addition to and with its first Rent payment: (i) if there is an Interim Term, an amount equal to 1/30th of the Rent multiplied by the number of days in the Interim Term; (ii) an administrative and documentation fee in the amount of CAD \$500.00 (Five) Hundred Dollars; and (iii) if applicable, the Security Deposit identified above, which shall be returned by Lessor, without interest on the Return Date, provided there is no Default.

C. **Lessee Options.** (I) At the expiration of the Initial Term or any Renewal Term (as hereinafter defined), and for so long as no Default has occurred or is continuing, Lessee may, as to all, but not less than all, of the Equipment: (a) purchase the Equipment for the Purchase Option Price plus any applicable taxes and all accrued but unpaid interest, taxes, penalties and other sums due under the Lease (the "Stated Purchase Option"); (b) renew this Lease on a month to month basis (such time being the "Renewal Term") at the same Rent payable at the expiration of such Initial Term or Renewal Term, as the case may be, subject to the right of either party to terminate this Lease upon 180 days prior written notice (any such termination taking effect only upon Lessee's satisfaction of all of Lessee's obligations under the Lease); or (c) return the Equipment to Lessor in the Required Return Condition. (II) If Lessee has not elected either option 180 days prior to the expiration of the Initial Term or any Renewal Term, option (b) above will prevail automatically. Once in a Renewal Term: (a) Lessee may elect the FMV Purchase Option with 180 days prior written notice to Lessor or (b) either party may terminate this Lease with 180 days prior written notice to the other party. (III) Lessee shall pay the Purchase Option Price and all other amounts due and owing under the Lease on the last day of the Initial Term or Renewal Term, as the case may be, in immediately available funds against delivery of a bill of sale transferring to Lessee all right, title and interest of Lessor in and to the Equipment, ON AN "AS IS", "WHERE IS" BASIS, WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, TITLE, FREEDOM FROM INFRINGEMENT, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

D. **Finance Lease Status; Security Interest; Property Tax.** (I) This Lease is intended to be a true lease and not a sale of Equipment. Title to Equipment shall at all times remain in Lessor. By signing this Lease, Lessee acknowledges that Lessee has either (a) received a complete copy of the Supply Contract or (b) that Lessor has informed Lessee of the identity of the Supplier, that Lessee is entitled to the promises and warranties provided by the Supplier to Lessor, and that Lessee may contact the Supplier for a description of those rights, promises and warranties. (II) Lessee acknowledges that Lessor shall register such financing statements under the applicable Personal Property Security Act ("PPSA") and other legislation of similar purpose, and/or shall publish at the Quebec Register of Personal and Movable Real Rights ("RPMRR") its rights resulting from a lease or any other right as may be applicable under Quebec law. In the event this Lease is determined to be a financing transaction, and to further secure Lessee's obligations to Lessor under this Lease, all other present and future Leases (if any) under the Master Lease, and other agreements between Lessee and Lessor, Lessee shall be deemed to have granted, and does hereby grant, to Lessor a first priority security interest in the Equipment, and/or hypothec over same, including substitutions and replacements relating thereto, and in all cash and non-cash proceeds thereof, and all deposits, accounts and chattel paper arising out of or otherwise relating to this Lease or the Equipment. Despite anything to the contrary in this Lease, including the date the Initial Term commences, any security interest and/or hypothec granted by Lessee to Lessor under each Lease is effective between the parties with respect to any item of Equipment as soon as Lessee receives possession of such item of Equipment. The hypothec granted hereunder shall be for an amount equal to the purchase price of the Equipment plus all incidental taxes and costs, plus 20%. (III) Unless otherwise directed by Lessor in writing, Lessee shall not list itself as owner of the Equipment for property tax purposes. Upon its receipt of any property tax bill with respect to the Equipment, Lessee shall promptly forward such bill to Lessor. Upon Lessor's receipt (whether from Lessee or directly from the taxing authority), Lessor will pay the tax and invoice the Lessee for the expense.

E. **Tax Indemnification.** Lessee acknowledges that Lessor intends to claim all available tax benefits of ownership with respect to the Equipment (the "Tax Benefits"), including, but not limited to, cost recovery deductions, with respect to each item of Equipment for each of Lessor's taxable years during the Term. If Lessee is tax-exempt, Lessee shall furnish Lessor with evidence satisfactory to Lessor of Lessee's exemption. Notwithstanding anything to the contrary in the Lease, if Lessor is not entitled to, or is subject to recapture of, the Tax Benefits as a result of any act, omission or misrepresentation by Lessee, Lessee shall pay to Lessor on demand an amount sufficient to reimburse Lessor such loss, together with any related interest and penalties, based on the highest marginal corporate income tax rate prevailing at the time of such loss, regardless of whether Lessor or any member of a consolidated group of which Lessor is also a member is then subject to any increase in tax as a result of such loss of the Tax Benefits.

F. **Insurance; Stipulated Loss Value.** (I) The amount of general liability insurance that Lessee is to arrange and pay for is not less than CAD \$1,000,000. (II) The amount of property insurance that Lessee is to arrange and pay for is not less than CAD \$583,317.00; (III) The term "**Stipulated Loss Value**" means an amount equal to the sum of (a) the amount of Lessor's residual interest in the Equipment (as determined by Lessor at the commencement of the Initial Term) plus (b) all future taxes, Rent and other charges to become due under the Lease discounted at a rate of 3% per annum.

G. **Additional Terms and Conditions: Stated Purchase Option.** Lessee acknowledges that Lessor has assumed a residual value for the Equipment and therefore requires the following terms and conditions regarding its use and return. For purposes of this Lease, "**Stated Purchase Option**" means the value of Equipment for lease or sale, in place and in continued use, which would be obtained in an arm's length transaction between an informed and willing retail lessor or seller (under no compulsion to lease or sell) and an informed and willing retail lessee or buyer (under no compulsion to lease or purchase), assuming that Equipment is in the Required Condition, as determined by the parties or, if the parties cannot agree, by a certified appraiser selected by Lessor and paid for by Lessee.

(I) **Use of Equipment; Maintenance.** (a) Lessee shall use the Equipment for the Shift Usage and Operating Hours indicated above. If Lessee exceeds the Operating Hours, Lessee shall pay to Lessor the Overage Charge indicated above for each additional operating hour. Lessor shall not reimburse Lessee if Lessee's use falls below the Operating Hours. (b) Lessee shall cause all maintenance and repair, including the replacement of any new versions of operating software belonging to any Equipment, to be carried out by the manufacturer. If during a maintenance procedure, any part needs to be replaced, Lessee shall use or cause to be used only original manufacturer replacement parts.

(II) **Lessor Review.** In addition to any inspection rights provided under the Lease, Lessor may monitor the use and condition of the Equipment at any time during the Term and at its expiration, earlier termination or cancellation and Lessee shall facilitate such review at the Equipment's location. If following such review, Lessor determines in its sole discretion that the Equipment is not in the Required Condition, then Lessor may appoint a third-party expert to evaluate the Equipment at Lessee's sole expense. If such expert determines the same, then the Lessee shall make such modifications necessary to conform to the Required Condition (such time being the "**Restoration Period**"). If a Restoration Period occurs after the expiration or earlier termination or cancellation of the Lease all of Lessee's obligations under the Lease (including, without limitation, Lessee's obligation to pay Rent for the Equipment at the rental then applicable under the Lease) shall continue in full force and effect until such Equipment is restored to the Required Condition.

(III) **Marketing Efforts.** During the Term, Lessor may inspect the Equipment with a potential buyer or user while the Equipment is in operation at the Lessee's location. In the event that Lessor has not successfully remarketed the Equipment prior to the end of the Term, Lessee shall permit Lessor to keep the Equipment at Lessee's location for a period of 180 days for remarketing purposes only and the Lessee shall not operate the Equipment during this time (the "**Marketing Period**"). During the Marketing Period Lessee shall, at its sole expense: (i) store the Equipment with appropriate care; (ii) ensure the Equipment remains in operable condition; (iii) continue to insure the Equipment in accordance with Lease requirements; (iv) allow potential buyers and users accompanying Lessor to inspect the Equipment during normal business hours; and (v) have service personnel available to demonstrate the Equipment.

(IV) **Maintenance and Return Conditions.** Lessee shall return in the Equipment in accordance with the following terms and conditions, which are in addition to the terms and conditions of the Master Lease:

- (a) The configuration, including all parts and components, must correspond to the original configuration at the time the Initial Term commenced;
- (b) The Equipment must be completely and fully functional and meet all acceptance tests of the manufacturer;
- (c) The mechanical, electronic and electric parts (e.g., measuring equipment and control devices, windshields, ventilators, pumps, motors and cables, etc.) must be undamaged, complete and fully functional;
- (d) Any software received must be in the last version installed, complete, uncharged, undamaged and fully functional;
- (e) The Equipment must meet applicable employment, safety and environmental standards;
- (f) The full number of operational, maintenance and inspection documentation belonging to the Equipment (e.g., operation manuals or maintenance log books) must be on hand and in the same quantity as received by Lessee at the start of the Initial Term;
- (g) All necessary licenses and permits for the operation of the Equipment must be on hand and transferable to any subsequent user of the Equipment;
- (h) The Equipment must be in a clean condition with all labels, stickers or any other items removed;
- (i) Wear parts including tires and chains shall be no more than 50% worn;
- (j) If necessary, prior to the return of the object, Lessee shall arrange for a renewal of the technical acceptance by a technical inspection authority (TUEV, BG, or similar association) at its own expense;
- (k) All but not less than all of the Equipment and all components, constituent parts and documentation, which appertain to the Equipment, must be returned at the time of return at the same location. A partial return is excluded.
- (l) Maintenance and repair to be done by manufacturer of manufacturers accredited dealers/service companies, using original spare parts;
- (m) A redelivery to a location at home, determined by the lessor and at the cost of the lessee;

H. **Rate Adjustment.** The Rent above was calculated using Lessor's Cost of Funds Index (the "Index") as of the date of actual pricing of this Schedule. If a change in the Index occurs from that date to the date Lessor approves funding for this Schedule that results in economics unacceptable to Lessor, Lessor may adjust the Rent amount such that Lessor's economics are maintained.

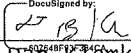
I. **Representations and Warranties of Lessee.** Lessee hereby represents and warrants that, as of the date hereof, (i) all representations and warranties contained in the Master Lease are hereby restated and are true and correct and (ii) no Default exists.

J. **Master Lease and Further Assurances.** (I) The terms of the Master Lease are incorporated herein by reference and Lessee reaffirms all terms of the Master Lease. (II) Lessee shall promptly execute or otherwise authenticate and deliver to Lessor such further documents, instruments, filings, waivers, releases, assurance and other records and take such further action as Lessor may reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor under this Lease.




This Schedule is effective as of the date first written above.

KMC Mining Corporation

Signature: 
Print Name: Dan Kienke
Title: Executive Chairman
Date: 9/23/2022

Deutsche Leasing Canada, Corp.

Signature: 
Print Name: Jimmy Krsanac
Title: Vice President, Head of Operations
Date: 09/23/2022

Copy of
Original

**AMENDMENT NO. 1 to LEASE SCHEDULE No. 001**

Dated as of: September 14, 2022

This **AMENDMENT NO. 1** ("Amendment") is to Lease Schedule No. 001 dated August 9, 2022 between Deutsche Leasing Canada, Corp., a Nova Scotia unlimited liability company located at c/o 190 South LaSalle Street, Ste. 2150, Chicago, Illinois 60603 ("Lessor") and KMC Mining Corporation. ("Lessee").

1. **Amendment.** The Lease Schedule No. 001 are hereby amended as follows:

a. **Section F Insurance; Stipulated Loss Value subsection (III)** is amended to read:

"(III) The term **"Stipulated Loss Value"** means an amount equal to the sum of (a) the amount of the Purchase Option Price plus (b) all futures taxes, Rent and other charges to become due under the Lease discounted at a rate of 3% per annum".

b. **Section G (I) Use of Equipment; Maintenance subsection b** is amended to read:

(b) Lessee shall cause all maintenance and repair, including the replacement of any new versions of operating software belonging to any Equipment, to be carried out by self-maintenance. If during a maintenance procedure, any part needs to be replaced, Lessee shall use or cause to be used only original manufacturer replacement parts.

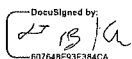
c. **Section G (IV) Maintenance and Return Conditions subsection (I)** is deleted in its entirety.

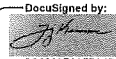
2. **Grant of Security Interest.** In the event the Lease is determined to be a Secured Transaction, Lessee shall be deemed to have granted, and does hereby grant, to Lessor a first priority security interest in above described equipment, including substitutions and replacements relating thereto, and in all cash and non-cash proceeds thereof, and all deposits, accounts and chattel paper arising out of or otherwise relating to this Lease or the Equipment.

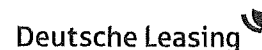
3. **Continuation of Financing Documents.** Except as provided herein, the Financing Documents remain unchanged and in full effect.

The parties have executed this Amendment as of the date first written above.

KMC MINING CORPORATION**DEUTSCHE LEASING CANADA, CORP.**

By: 
Name: Dan Klemke
Title: Executive Chairman

By: 
Name: Jimmy Krsanac
Title: Vice President, Head of Operations



CERTIFICATE OF DELIVERY AND ACCEPTANCE

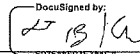
This is the **CERTIFICATE OF DELIVERY AND ACCEPTANCE** (the "**Acceptance Certificate**") under the Master Lease Agreement and Lease Schedule described below (together, the "**Lease**") between the undersigned and Deutsche Leasing Canada, Corp. ("**Lessor**"). Any terms used but not defined herein have the meaning assigned to them in the Lease.

1. The undersigned hereby represents and certifies to Lessor that each item of Equipment specified in the Lease Schedule:
 - (A) has been delivered to and inspected by Lessee as of the Acceptance Date;
 - (B) is satisfactory for financing under the Lease and is unconditionally and irrevocably accepted;
 - (C) is in good repair and condition and operates properly;
 - (D) is subject to all of the terms and conditions of the Lease; and
 - (E) an authorized officer of the undersigned has executed this Acceptance Certificate.
2. This executed Acceptance Certificate constitutes an instruction to Lessor to pay for the Equipment.

Master Lease Agreement No. 00127391

Lease Schedule No. 001

Acceptance Date: September 23, 2022

Copy of
KMC Mining Corporation
Signature: 
Print Name: Dan Klemke
Title: Executive Chairman
Original

UPON EXECUTION please scan a copy of this Acceptance Certificate and email to Lessor at business_support@deutsche-leasingusa.com and mail the original certificate to Lessor at Deutsche Leasing Canada, Corp., c/o Deutsche Leasing USA, Inc., 190 S. LaSalle Street, Suite 2150, Chicago, Illinois USA 60603.

INSURANCE REQUEST

August 19, 2022

Date

Insurance Agent Name

Insurance Company Name

Address

City

State

Zip

Phone

E-mail

Fax

Dear Sir or Madam:

Deutsche Leasing Canada, Corp. ("DLCC"), located at c/o Deutsche Leasing USA, Inc., 190 South LaSalle Street, Suite 2150, Chicago, Illinois, USA 60603, is providing financing for us for equipment for a total cost of **CAD \$583,317.00** (the "**Replacement Value**") for the following equipment:

One (1) LIEBHERR Crawler Tractor PR 736 LGP G8 S/N# 022432-1736

Our contract with DLCC has the following insurance requirements:

- **Property Insurance** insuring against the loss of or damage to the equipment from any cause, in an amount not less than the Replacement Value naming "**Deutsche Leasing Canada, Corp., its successors and assigns**" as **lender loss payee**.
- **General Liability Insurance** for personal and bodily injury or property damage within an amount not less than One Million (\$1,000,000) per occurrence naming "**Deutsche Leasing Canada, Corp., its successors and assigns**" as **additional insured**.

The foregoing policies must also contain:

- a **Breach of Warranty Clause** in favor of DLCC, providing that the foregoing policies will not be invalidated against DLCC or its assigns because of any violation of any condition or warranty contained in any policy or by reason of any action or inaction of Debtor;
- a **Notice of Cancellation** providing that the policy cannot be cancelled or altered without at least 30 days' advance written notice to DLCC;
- a reference to the Contract No., which is: 225-0012739-001.

Please provide ACORD Certificate(s) of Insurance confirming the above to Deutsche Leasing Canada Corp. as soon as possible. Please email it to business_support@deutsche-leasingusa.com.

Sincerely,

DocuSigned by:



Name

607648F03F384CA...

KMC Mining Corporation

Company

AMENDMENT NO. 1 to LEASE SCHEDULE No. 002

Dated as of: June 21, 2023

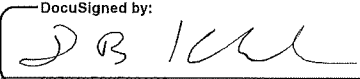
This **AMENDMENT NO. 1 ("Amendment")** is to Restated Lease Schedule No. 002 dated November 1, 2022 between Deutsche Leasing Canada, Corp. ("DLCC") and KMC Mining Corporation ("KMC").

RECITALS:

- A. KMC's and DLCC entered into a Master Lease Agreement dated August 9, 2022 and Lease Schedule No. 002 dated October 20, 2022 which was then restated as stated above (collectively, the "**Financing Documents**");
- B. In connection therewith and under the Financing Documents, KMC's granted a security interest to DLCC in the Equipment; and
- C. Due to an insurance event, the Equipment listed on Restated Lease Schedule No. 002 will be changed and amended.
1. **Amendment.** The Financing Documents are hereby amended as follows:
- a.) The Financing Documents are hereby amended to delete the following Equipment:
- (1) Liebherr PR 776, Serial #24277 with all parts and attachments**
- b.) The Financing Documents shall be amended to add the following Equipment:
- (1) Liebherr PR 776, Serial #025121 with all parts and attachments**
- c.) Purchase Option Price will remain unchanged at CAD \$133,000.00.
- d.) Term will remain unchanged at 60 months.
- e.) Rent will remain unchanged at CAD \$27,180.00 per month in advance plus applicable taxes.
- f.) Next payment will be due July 1, 2023.
2. **Grant of Security Interest.** In the event the Lease is determined to be a Secured Transaction, Lessee shall be deemed to have granted, and does hereby grant, to Lessor a first priority security interest in above-described equipment, including substitutions and replacements relating thereto, and in all cash and non-cash proceeds thereof, and all deposits, accounts and chattel paper arising out of or otherwise relating to this Lease or the Equipment.
3. **Continuation of Financing Documents.** Except as provided herein, the Financing Documents remain unchanged and in full effect.

The parties have executed this Amendment as of the date first written above.

KMC MINING CORPORATION**DEUTSCHE LEASING CANADA, CORP.**

DocuSigned by:

By: _____
Name: Daniel Klemke
Title: Executive Chairman

By: _____
Name: _____
Title: _____