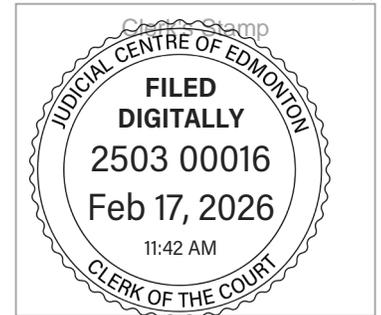


COURT FILE NO. 2503 00016
COURT Court of King's Bench of Alberta
JUDICIAL CENTRE Edmonton



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

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

DOCUMENT **APPLICATION – Extend Stay of Proceedings**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DARREN R. BIEGANEK, KC/ ZACHARY SOPROVICH Barrister & Solicitor Phone: 780.441.4386 Fax: 780.428.9683 Email: dbieganeke@dcllp.com	File # 204-219113 DUNCAN CRAIG LLP LAWYERS MEDIATORS 2800 Rice Howard Place 10060 Jasper Avenue Edmonton, Alberta T5J 3V9
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NOTICE TO THE RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date	February 24, 2026
Time	10:00 a.m.
Where	https://albertacourts.webex.com/meet/virtual.courtroom86
Before Whom	Justice C.D. Simard

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. KMC Mining Corporation (“**KMC**” or the “**Applicant**”) seeks an Order, largely in the form attached within **Schedule “A”**:
 - (a) abridging time for service of notice of this Application or deeming service of the Application to be good and sufficient, as necessary; and
 - (b) extending the stay of proceedings (“**Stay Period**”) as against KMC to and including June 30, 2026 in respect of all proceedings, rights and remedies against KMC including its respective businesses and property, or the Monitor.
2. Such further and other relief as the circumstances may require and the Court deems appropriate.

Grounds from making this application:Status of CCAA Proceedings

3. On January 10, 2025, the Honourable Justice M.J. 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 C-36 as amended (“**CCAA**”) (the “**Initial Order**”). FTI Consulting Canada Inc. (“**FTI**”) is the Monitor within these CCAA proceedings (“**Monitor**”).
4. 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.
5. On January 20, 2025, the Honourable Justice J.T. Neilson granted KMC’s application for an Amended and Restated Initial Order (“**ARIO**”), which extended the Stay Period until and including June 16, 2025. The ARIO included approval of a Key Employee Retention Plan (“**KERP**”).
6. 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**”).
7. 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.
8. On April 17, 2025, the Court granted a Sale Approval and Vesting Order (the “**SAVO**”), which approved a transaction of the sale of the vast majority of KMC’s property and assets (the “**Transaction**”).
9. The Transaction closed on May 2, 2025, and sale proceeds more than \$100 Million were wired to the Monitor upon closing of the Transaction.
10. On May 23, 2025, the Honourable Justice L.K. Harris granted KMC’s application which extended the Stay Period to and including July 31, 2025 (the “**First Extension Order**”).

11. 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.
12. On July 30, 2025, the Honourable Justice D.R. Mah granted KMC's application which extended the Stay Period to and including November 30, 2025 (the "**Second Extension Order**"), and concurrently granted relief related to return of prior landlord security deposits, assignment of certain insurance claims to secured creditors and settling certain grievance claims of Local Union No. 955 members.
13. On November 28, 2025, the Honourable Justice D.R. Mach granted KMC's application which extended the Stay Period to and including February 28, 2026 (the "**Third Extension Order**").

Employees and Current Operations

14. 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.
15. At present time KMC has approximately 5 employees full and part time.

Suncor Claims

16. 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.
17. 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.
18. The vast majority of KMC's debt obligations were incurred to support and facilitate work KMC contracted to perform for Suncor under various agreements. Suncor abruptly cancelled various work with KMC, without known cause.
19. 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 cancellation of the 2024 Fort Hills Overburden scope of work for convenience (the "**Overburden Cancellation Claim**");
 - (d) a claim for damages arising from the cancellation 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**”).
20. KMC’s legal counsel conducted a high-level overview of the potential claims against Suncor for, *inter alia*, the circumstances described above. That evaluation has concluded and been reviewed. The combined damage estimate at this time is in the tens of millions of dollars, with the damage evaluation continuing.
 21. KMC has been engaged with litigation funders and is assessing its options for pursuit of the claims against Suncor. As part of that process, KMC engaged separate legal counsel to provide a second opinion on the potential claims against Suncor and that evaluation has now concluded and been reviewed.
 22. KMC is in active discussion with the Syndicate and litigation funders with respect to the potential litigation. KMC is expecting a term sheet from a litigation funder within the next week, and is engaged with three other litigation funders.
 23. If successful, even in part, the claims against Suncor, and recovery therefrom, would have a material, positive outcome for KMC’s stakeholders.

Miscellaneous Items

24. KMC is also working on the following as part of its wind down process:
 - (a) KMC has taken steps and wound up its pension plan with Canada Life/London Life for non-union staff. KMC has received approvals from the Alberta Superintendent of Pensions in respect to the wind up of the plan. The necessary packages for transfer of funds have been mailed out to plan members;
 - (b) working with the Workers’ Compensation Board (“**WCB**”) to reconcile 2024 accounts and receiving a credit refund, with a final 2025 account reconciliation being necessary;
 - (c) working with its heavy equipment insurer with respect to refunds from certain insurance policies;
 - (d) KMC is both a Plaintiff and Defendant in actions related to a new Komatsu 830E that KMC rented from SMS Equipment (“**SMS**”). 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, and has taken steps to preserve limitation periods in respect of either the civil claim or an insurance claim;
 - (e) working with the purchaser under the Transaction to reconcile and resolve certain cure costs from the Transaction; and
 - (f) taking steps to file its 2024 and 2025 corporate tax filings as well as a reconciliation of GST with the Canada Revenue Agency.

Summary

25. KMC continues to, as it has throughout these entire proceedings, act in good faith and with due diligence.
26. The maintenance of the Stay Period 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.
27. All relief sought is appropriate in the circumstances and ought to be approved.
28. KMC is not aware of any creditor that would be materially prejudiced if the relief herein is granted.
29. Such further and other grounds as counsel for KMC may advise and this Honourable Court may permit.

Material or evidence to be relied on:

30. This Application and the Draft Order.
31. Affidavit of Daniel Klemke sworn February 15, 2026.
32. The previously filed Affidavits of Bryn Jones and Daniel Klemke sworn in these proceedings, as necessary.
33. The Orders granted in these proceedings, including the Initial Order granted January 10, 2025, the Amended and Restated Initial Order granted January 20, 2025, the First Extension Order granted May 23, 2025, the Second Extension Order granted July 30, 2025 and the Third Extension Order granted November 28, 2025.
34. Sixth Report of the Monitor dated February 2026, to be filed, and all prior Monitor's Reports filed in these proceedings, as necessary.
35. Bench Brief of KMC.
36. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

37. Rules 6.11(1)(f), 11.27 and 13.5 of the Alberta *Rules of Court*.
38. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

39. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, and in particular sections 11, 11.02(2) and (3).
40. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

41. N/A.

How the application is proposed to be heard or considered:

42. By way of Webex hearing before the Honourable Justice C.D. Simard.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the Applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

Draft Order – Stay Extension

COURT FILE NO. 2503 00016

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton



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 **ORDER - Extending the Stay Period**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DARREN R. BIEGANEK, KC/ ZACHARY SOPROVICH Barrister & Solicitor Phone: 780.441.4386 Fax: 780.428.9683 Email: dbieganeke@dcllp.com	File # 204-219113 DUNCAN CRAIG LLP LAWYERS MEDIATORS 2800 Rice Howard Place 10060 Jasper Avenue Edmonton, Alberta T5J 3V9
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DATE ON WHICH ORDER WAS PRONOUNCED FEBRUARY 24, 2026

NAME OF JUSTICE WHO MADE THIS ORDER: C. D. SIMARD

LOCATION OF HEARING: EDMONTON, ALBERTA

UPON the Application of KMC Mining Corporation (the "**Applicant**");

AND UPON noting the Initial Order granted in these proceedings (the "**CCAA Proceedings**") on January 10, 2025 ("**Initial Order**"), the Amended and Restated Initial Order granted in these proceedings on January 20, 2025 (the "**ARIO**");

AND UPON having read the Application, the Affidavit of Daniel Klemke sworn February 15, 2026, and the Sixth Report of FTI Consulting Canada Inc., in its capacity as monitor (the "**Monitor**") dated February 2026;

AND UPON noting the stay of proceedings as against the Applicant as referred to and defined in paragraph 15 of the ARIO ("**Stay Period**"); AND UPON noting the extension of the Stay Period via Order of Justice L.K. Harris granted on May 23, 2025, the Order of Justice D.R. Mah granted on July 30, 2025, and the Order of Justice D.R. Mah granted on November 28, 2025;

AND UPON hearing the submissions of counsel for the Applicant, Counsel for the Monitor, counsel for ATB Financial in its capacity as Administrative Agent for the Lenders (collectively the “**Syndicate**”) and others appearing;

IT IS HEREBY ORDERED THAT:

Service of Application

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient and no other persons other than those listed on the service list maintained in these CCAA Proceedings (the “**Service List**”) are entitled to service of the Application.

Extension of Stay

2. The Stay Period is hereby extended to June 30, 2026.

Service and Effective Time

3. Service of this Order shall be deemed good and sufficient by:
 - a. serving the same on:
 - i. the persons listed on the Service List created in these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order;
 - iv. the Purchaser or the Purchaser’s solicitors; and
 - b. posting a copy of this Order on the Monitor’s website at:
<https://cfcanada.fticonsulting.com/KMCMining/>.

and service on any other person is hereby dispensed with.

4. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
5. This Order and all of its provisions are effective as of 12:01 a.m. Edmonton time on the date this Order is signed by a Justice of the Court of King’s Bench of Alberta.

Justice of the Court of King’s Bench of Alberta