

COURT FILE NO. 2503 00016

Clerk's Stamp

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 – KERP Adjustment, WEPPA, Interim Distribution**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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DATE ON WHICH ORDER WAS PRONOUNCED

APRIL 17, 2025

NAME OF JUSTICE WHO MADE THIS ORDER:

D.R. MAH

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 Order approving the Sales and Investment Solicitation Process (“**SISP**”, with the Order being the “**Order – Approve SISP**”) on January 20, 2025 and the Amended and Restated Initial Order granted in these proceedings on January 20, 2025 (the “**ARIO**”);

AND UPON having read the key employee retention plan (“**KERP**”) which was approved by this Court on January 20, 2025;

AND UPON noting the *Wage Earner Protection Program Act* (Canada), SC 2005, c 47 (“**WEPPA**”) declaration in the paragraph 43 of the Initial Order and paragraph 46 of the ARIO (collectively the “**WEPPA Declaration**”);

AND UPON having read the Application, the Affidavit of Bryn Jones sworn April 7, 2025 and the previously filed Affidavits sworn in these proceedings, the First Report of FTI Consulting Canada Inc., in its capacity as monitor (the “**Monitor**”) dated January 17, 2025 and the Second Report of the Monitor dated April 2025;

AND UPON having read the Asset Purchase Agreement between the Applicant and 2122256 Alberta Ltd. o/a Heavy Metal Equipment & Rentals (the "**Purchaser**") dated March 26, 2025 (the "**APA**") for the purchase and sale of the assets described within Schedule "A" of the Asset Purchase Agreement (the "**Transaction**");

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

IT IS HEREBY ORDERED THAT:

Service

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.
 2. The WEPPA Declaration continues to apply to the Applicant and same is confirmed.
 3. The KERP is hereby varied such that the amount of \$30,000 which would otherwise have been payable to two departed employees shall be payable to the President of the Applicant following achievement of the applicable milestone retention periods in accordance with the Amended KERP Appendix A, a redacted version of which is attached as **Schedule "1"** to this Order. Nothing in this Order permits payments under the KERP greater in aggregate than the amount initially approved by this Court in the ARIO.
 4. After closing of the Transaction, and subject to the Monitor's review of the respective security of creditors of the Applicant, the Monitor is authorized and directed to make interim distributions of up to 50% of the net sale proceeds from the Transaction to secured creditors whose collateral is sold as part of the Transaction.
 5. 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.
6. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

Schedule "1"

Appendix A to KERP – Key Employees

(with names and positions redacted, and changes noted in red and underlined)

Position	KERP Candidate Proposed	Value – Group 1	Value – Group 2 – Tranche 1	Value – Group 2 – Tranche 2	Cumulative Total if paid in full
President		<u>\$20,000</u>	<u>\$10,000</u>	<u>\$110,000</u>	\$140,000
			\$45,000	\$95,000	\$140,000
			\$45,000	\$95,000	\$140,000
			\$45,000	\$55,000	\$100,000
			\$45,000	\$55,000	\$100,000
		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>
		\$20,000	\$20,000		\$40,000
		\$10,000	\$10,000		\$20,000
		<u>\$0</u>			<u>\$0</u>
		\$10,000	\$10,000		\$20,000
		\$15,000			\$15,000
Totals:		\$75,000	\$230,000	\$440,000	\$745,000