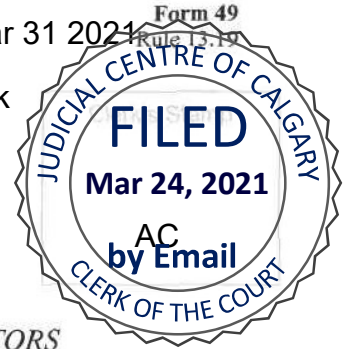


**ENTERED**

Form 49  
COM Mar 31 2021 Rule 13.19  
35677  
J. Eidsvik



COURT FILE NO. 2001-05482  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended  
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF JMB CRUSHING SYSTEMS INC. and 2161889 ALBERTA LTD.

AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF JMB CRUSHING SYSTEMS INC. and MANTLE MATERIALS GROUP, LTD. UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended, and the *BUSINESS CORPORATIONS ACT*, SBC 2002, c 57, as amended

APPLICANTS JMB CRUSHING SYSTEMS INC., 2161889 ALBERTA LTD., MANTLE MATERIALS GROUP, LTD. and 2324159 ALBERTA INC.

DOCUMENT **AFFIDAVIT OF BYRON LEVKULICH**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Gowling WLG (Canada) LLP**  
1600, 421 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9

Attn: **Tom Cumming/Caireen E. Hanert/Stephen Kroeger**  
Phone: 403.298.1938/403.298.1992/403.298.1018  
Fax: 403.263.9193  
File No.: A163514

**AFFIDAVIT OF BYRON LEVKULICH**  
sworn March 23, 2021

I, **BYRON LEVKULICH**, of the City of Denver, in the State of Colorado, **MAKE OATH AND SAY THAT:**

1. I am a director of the Applicant JMB Crushing Systems Inc. ("**JMB**") and was a director of the Applicant 2161889 Alberta Ltd. ("**216**", and with JMB, the "**CCAA Applicants**").

I am also a Principal at Resource Land Holdings, LLC (“**RLH**”), which is the contracted fund manager of Resource Land Fund V, LP (“**RLF**”). RLF is the ultimate parent of JMB, 216 and Mantle Materials Group, Ltd. (“**Mantle**”). I am also a director of Mantle. As such, I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.

2. I make this Affidavit in support of relief sought by JMB, 216, Mantle and 2324159 Alberta Inc. (“**ResidualCo**”, and with JMB, 216 and Mantle, the “**Plan Applicants**”) in the within proceedings and summarized in paragraph 6 of my Affidavit sworn March 4, 2021 (the “**March 4 Affidavit**”).
3. In preparing this Affidavit, I have consulted with legal, financial and other advisors of the Plan Applicants and members of the Plan Applicants’ management teams. I have also reviewed the business records of the Plan Applicants relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. I am authorized to swear this Affidavit as a corporate representative of the Plan Applicants.
5. All capitalized terms not otherwise defined in this Affidavit are as defined in my March 4 Affidavit.
6. The background to these proceedings is set out in the Affidavits sworn by Jeff Buck on April 16 and April 30, 2020, and my prior Affidavits sworn in these proceedings, specifically my Affidavit sworn September 30, 2020, and my March 4 Affidavit.

#### **Conditional Stay Extension Order**

7. On March 5, 2021, the CCAA Applicants brought an application for approval of the Amended SAVO, Amended RVO, Amended Assignment Order and Amended Plan Sanction Order (the “**Amended Orders**”). At the request of Alberta Environment and Parks (the “**AEP**”), the application for the Amended Orders was adjourned *sine die* to allow JMB, 216, Mantle and the AEP sufficient time to revise the Amended Orders to a form acceptable to all parties.

8. Notwithstanding the adjournment, the stay period (the “**Stay Period**”) provided for in the Initial Order, as subsequently amended by Orders of this Honourable Court, was set to expire on March 12, 2021. On March 5, 2021, the Honourable Justice Eidsvik granted an Order conditionally extending the Stay Period to April 2, 2021, subject to FTI Consulting Canada Inc., in its capacity as Monitor of the CCAA Applicants (the “**Monitor**”) providing a certificate (the “**Certificate**”) confirming that one or more of the Stay Extension Conditions (as defined in the Certificate) was satisfied on or before March 12, 2021.
9. On March 11, 2021, prior to the Condition Date, the Monitor delivered the Certificate certifying that one or more of the Stay Extension Conditions were satisfied. Attached hereto as **Exhibit “A”** is a filed copy of the Certificate.  
[05.22a-1052](#)

#### **Reclamation Security**

10. The *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 (with its regulations, the “**EPEA**”) and the *Public Lands Act*, RSA 2000, c P-40 (with its regulations, the “**PLA**”) require that holders of aggregate pit registrations under the EPEA (each, an “**EPEA Registration**”) and dispositions under the PLA (each, a “**Disposition**”) provide security to the AEP for the reclamation and remediation obligations in respect of the lands subject thereto (the “**Reclamation Obligations**”, and such security, the “**Reclamation Security**”), which can be in the form of cash, letters of credit, performance bonds, certificates of deposit or trusts. The list attached hereto as **Exhibit “B”** sets out the Reclamation Security in respect of each of the Dispositions and EPEA Registrations. 216 provided Reclamation Security consisting of letters of credit issued by Canadian Western Bank and JMB provided Reclamation Security consisting of cash in respect of its Dispositions, and performance bonds issued by Northbridge General Insurance Corporation (“**Northbridge**”) in respect of its EPEA Registrations (the “**Bonds**”). The Bonds were issued in 2018 for one year terms and were subsequently renewed or replaced.  
[05.22a-1056](#)
11. In a letter dated December 3, 2020 from the AEP to Northbridge, the AEP demanded payment under the Bond (the “**Buksa Bond**”) provided in respect of the aggregate pit located at NE 24-056-07-W4M (the “**Buksa Pit**”) which is subject to the aggregate royalty agreement dated December 31, 2018 (the “**Buksa Royalty Agreement**”) between JMB

and 302016 Alberta Limited, care of Rose Short, and having EPEA Registration 15048-03-00. Attached hereto as **Exhibit "C"** is a copy of the demand.

05.22a-1080

12. On February 12, 2021, the AEP issued a letter of non-compliance citing, among other things, that Bonds were not in place for the following pits:
- (a) a Bond in the face amount of \$41,872.00 which expired on March 9, 2020 and related to the aggregate pit located at NW 16-056-07-W4M (the "**Havener Pit**") that is subject to the aggregate pit agreement dated November 8, 2018 (the "**Havener Royalty Agreement**") between Helen Havener, Gail Havener and JMB and EPEA Registration 17395-01-00;
  - (b) a Bond in the face amount of \$74,683.81 which expired on March 9, 2020 and related to the aggregate pit located at SE 35-058-16-W4M (the "**Megley Pit**") that is subject to the aggregate pit agreement dated September 30, 2018 (the "**Megley Royalty Agreement**") between Doug Megley and JMB and EPEA Registration 149949-00-00;
  - (c) a Bond in the face amount of \$39,805.00 which expired on March 9, 2020 and related to the aggregate pit located at NE 10-057-06-W4M (the "**O'Kane Pit**") that is subject to the aggregate pit agreement dated April 30, 2018 (the "**O'Kane Royalty Agreement**") between Colleen Penner/Estate of Ed O'Kane and JMB and EPEA Registration 263318-00-00;
  - (d) a Bond in the face amount of \$16,695.00 which expired on March 9, 2020 and related to the aggregate pit located at SE 34-056-07-W4M (the "**MacDonald Pit**") that is subject to the aggregate pit agreement dated October 27, 2019 (the "**MacDonald Royalty Agreement**") between Allan K MacDonald and JMB and EPEA Registration 293051-00-00;
  - (e) a Bond in the face amount of \$31,872.25 which expired on March 9, 2020 and related to the aggregate pit located at NW 17, NE 18 & SE 19-063-09-W4M (the "**Kucy Pit**") that is subject to the aggregate pit agreement dated January 7, 2020

(the "**Kucy Royalty Agreement**") between Ron and Rita Kucy, Ron and Vonda Hoye, and JMB and EPEA Registration 306490-00-00; and

- (f) a Bond in the face amount of \$180,120.57 which expired on November 13, 2020 and related to the aggregate pit located at SW 21-056-07-W4M (the "**Shankowski Pit**") that is subject to the aggregate pit agreement dated October 29, 2018 between JMB and Jerry Shankowski (945441 Alberta Ltd.) (the "**Shankowski Royalty Agreement**") and EPEA Registration 308161-00-00,

(collectively, the "**Pits**"). Attached hereto as **Exhibit "D"** is a copy of the letter.  
05.22a-1083

13. On February 26, 2021, in response to repeated inquiries from JMB and counsel for the Plan Applicants, Randall Barrett, Executive Director of the AEP, advised that the Bonds for the Pits listed in paragraph 12 had expired without the AEP demanding payment thereunder. Attached hereto as **Exhibit "E"** is a copy of Mr. Barrett's email and enclosures.  
05.22a-1094

#### **Environmental Protection Orders and Enforcement Order**

14. Details of the CCAA Applicants' ongoing negotiations with the AEP are set out in the Affidavit of Tyler Pell sworn March 22, 2021 (the "**Pell Affidavit**").
15. I am advised by Mr. Cumming and believe that the AEP was added to the service list maintained in these proceedings on October 1, 2020 and has been provided with notice of all applications filed by JMB and 216 since then.
16. As set out in the Pell Affidavit, between March 3, 2021 and March 19, 2021, the AEP served each of JMB, Aaron Patsch and me as current directors of JMB and former directors of 216, with ten environmental protection orders (the "**EPOs**") and one enforcement order (the "**EO**") in relation to Reclamation Obligations for certain pits that JMB and 216 operate or formerly operated. The AEP also served Jeff Buck, a former director of JMB and 216. Attached hereto as **Exhibit "F"** are copies of the EPOs and the EO.  
05.22a-1107
17. Certain aspects of the EPOs and EO are problematic because:

- (a) the EPO relating to the Havener Pit is not justified, as Mantle intends on continuing to operate that pit and has therefore requested that the EPO be withdrawn;
- (b) while Mantle has agreed to the timelines required in respect of the EPOs issued for the Kucy Pit, the Buksa Pit, the O’Kane Pit, the Megley Pit and the MacDonald Pit, the timeline with respect to SML 060060 will be difficult to achieve; and
- (c) the EPOs for SML 120027, SML 980116 and SML 930040 were served on March 19, 2021, and the feasibility of the scope and timeline have not yet been evaluated.

#### **Structure of the Amended Transaction**

- 18. The EPEA and PLA require the consent of the AEP to be obtained with respect to the assignment of Dispositions or the transfer of EPEA Registrations. Pursuant to the Initial Order, a sale and investment solicitation process (the “SISP”) was ordered. I understand that Mantle submitted the only bid to acquire the assets of JMB as a going concern.
- 19. The Original Purchase Agreement was structured so as to accomplish, among other things, the transfer of certain Dispositions and EPEA Registrations to Mantle. The remainder of the assets of JMB and 216 were to be excluded from the Original Transaction and dealt with in other ways, in accordance with the CCAA. Since the application for the Original Orders, the CCAA Applicants and counsel have made numerous attempts to engage the AEP and negotiate the assignment of the Dispositions and transfer of the EPEA Registrations to Mantle with no effect.
- 20. Since January 2021, the AEP has reaffirmed that the CCAA Applicants are required to cure all compliance issues before it will consider their applications to assign and transfer the Dispositions and EPEA Registrations. RLF, however, is unwilling to risk its capital by funding the amounts required to rectify all of the compliance issues including replacing the expired Reclamation Security unless the AEP provides assurances that upon such issues being addressed, the AEP will approve the assignments of the Dispositions and transfers of the EPEA Registrations. In addition, ATB and Fiera, JMB’s secured creditors, have advised that they will not fund contributions to replace the expired Reclamation Security absent such assurances.

21. As set out in my March 4 Affidavit and in the Affidavit of Tyler Pell sworn on March 23, 2020, Mantle made a number of proposals to the AEP in order to permit the completion of the Original Transaction (as defined in my March 4 Affidavit). Although discussions with some representatives of the AEP appeared to be productive, by the beginning of February 2021 it was apparent that the AEP would not alter its position that applications for assignments and transfers of Dispositions and EPEA Registrations would only be considered, without any commitment in advance, once all compliance issues were resolved.
22. In these circumstances, a transaction could only proceed where no Dispositions and EPEA Registrations were being assigned or transferred. Therefore, the Original Purchase Agreement was amended and restated (such amended and restated agreement being the “**Amended Purchase Agreement**”, and the transactions contemplated thereby, the “**Amended Transaction**”) to provide for the retention by JMB and 216 of all of the Dispositions and EPEA Registrations. JMB and 216 will bring aggregate pits which are to be operated either after closing or in the future into compliance with the PLA and EPEA, and will perform all Reclamation Obligations on and close aggregate pits where there are no plans to resume operations. Because there were to be no assignments and transfers, the AEP’s approval was not required.
- 05.22a-1176
23. Attached to this Affidavit as **Exhibit “G”** are two charts comparing the Original Transaction to the Amended Transaction. Chart A compares the treatment of the Transaction Assets (being all of the property and assets of JMB and 216 forming part of the acquisition) under the Original Transaction versus Amended Transaction. It also describes how property and assets are dealt with that are excluded from the Amended Transaction. Chart B compares how Dispositions and EPEA Registrations are treated under the Original Transaction versus Amended Transaction.
24. The Amended Transaction has the following additional features which distinguish it from the Original Transaction:
- (a) both JMB and 216 will emerge from the CCAA Proceedings as solvent indirect subsidiaries of RLF through the Amended RVO;

- (b) 216 will remain responsible for reclaiming all lands subject to Included 216 Dispositions and Excluded 216 Dispositions;
  - (c) JMB will remain responsible for reclaiming all JMB Disposition Lands and JMB Inactive Royalty Lands (as such terms are defined in the Amended Purchase Agreement), provided that with respect to JMB Inactive Royalty Lands, if the Landowner denies access to JMB to perform reclamation work, and the AEP is unable to secure such access, JMB's Reclamation Obligations will be limited to providing the replacement Reclamation Security in respect thereof;
  - (d) counsel for Mantle, JMB and 216 will hold a fund in trust to provide for the reclamation of the JMB Inactive Royalty Lands, and the costs of reclamation work would be paid from that fund;
  - (e) if Northbridge pays under the Buksa Bond, the AEP will refund those moneys to JMB;
  - (f) Mantle will provide replacement Reclamation Security for the Included Royalty Agreements;
  - (g) JMB and 216 will carry out the reclamation work in accordance with the Reclamation Plans approved by the AEP; and
  - (h) JMB will resolve the compliances issues with respect to the Shankowski Pit and the Havener Pit in accordance with updated activity plans approved by the AEP.
25. Notwithstanding that the AEP's approval is not being sought, the Amended Transaction has been structured to ensure that all Reclamation Obligations are performed and compliance issues resolved in accordance with updated activity plans and reclamation plans approved by the AEP.
26. The Amended Transaction provides significant benefits to the stakeholders in JMB and 216. Based on current market conditions, Mantle will directly employ thirty (30) full time professional employees, and directly or indirectly employ in excess of ninety (90) seasonal workers, and will initially produce approximately one (1) million tonnes of sand and gravel



per annum. This production equates to approximately \$30 million in economic activity. With the current instability in markets, however, it is important to note that these estimates could change for either the better or worse if market conditions improve (if, for example, the oil and gas industry recovers) or deteriorate (if, for example, a third wave in the pandemic causes significant economic dislocation).

27. The Amended Transaction will also benefit stakeholders in additional ways:
- (a) 216 will retain ten Dispositions for Active Pits (as defined in the Amended Purchase Agreement) with Reclamation Obligations of approximately \$286,000 and will maintain the existing Reclamation Obligations in respect of those Active Pits;
  - (b) 216 will retain the Disposition and complete the Reclamation Obligations in the amount of \$45,000 in respect of one Inactive Pit for which the AEP holds Reclamation Security in the amount of \$41,000, which upon the completion of the Reclamation Obligations and closure of the Inactive Pit should be returned to 216;
  - (c) JMB will retain and operate the Shankowski Pit and the Havener Pit Agreement, in respect of which there are Reclamation Obligations of \$253,000 and for which there is no Reclamation Security in place. The Reclamation Security will be provided once the Updated Activity Reports for these pits are approved by the AEP; and
  - (d) JMB will retain and but not operate the Buksa Pit, the Kucy Pit, the MacDonald Pit, the Megley Pit and the O’Kane Pit, which have aggregate Reclamation Obligations of \$391,000. JMB will perform these Reclamation Obligations and close the pits in accordance with Reclamation Plans to be approved by the AEP. The Reclamation Obligations will be funded by the Trust Fund under section 3.3 of the Environmental Reclamation Protocol appended to the Amended RVO.
28. If the Amended Orders are not granted, it will not be possible to complete the Amended Transaction, with the result that:
- (a) the assets of JMB and 216 will likely be liquidated in bankruptcy or receivership proceedings, as it is my understanding that there are no alternative buyers;

- (b) forty-one Active Pits and Inactive Pits, having Reclamation Obligations in excess of \$1.0 million and Reclamation Security of only \$598,000, will become the responsibility of the AEP and therefore the Alberta public;
  - (c) the loss of thirty full time jobs and in excess of ninety seasonal jobs (subject to the qualification mentioned in paragraph 26) during a global pandemic; and
  - (d) the loss of the economic activity provided by the business of JMB and 216 within those areas of rural Alberta where they operate.
29. To summarize, the Amended Transaction permits the acquisition of the business and core assets of JMB and 216 to proceed, avoids the significant financial losses that would be suffered by all of the stakeholders if it did not (including the employees of JMB who are to continue with Mantle, the vendors of Mantle and JMB and the customers of JMB, Mantle, ATB and Fiera), and avoids the Alberta public becoming responsible for the entire security deficiency with respect to the Reclamation Obligations.

#### **AEP Naming Directors in EPOs and EO**

30. Notwithstanding the significant efforts of the CCAA Applicants, Mantle, ATB and Fiera, the AEP issued the EPOs and the EO, which among other things, name Mr. Patsch and me in our capacity as current directors of JMB and former directors of 216.
31. As stated above, I understand that Mantle's offer to purchase the CCAA Applicants as a going concern was the only going concern bid received during the SISF. The CCAA Applicants have made commercial best efforts to ensure compliance with the AEP's requirements, which efforts to date (as detailed in the Pell Affidavit) have not been successful in getting the AEP to expedite the assignment and transfer of the Dispositions and EPEA Registrations or even to provide relevant feedback that would allow the CCAA Applicants to comply with the AEP's requirements.
32. By naming Mr. Patsch and me in the EPOs and EO, the AEP has indicated that it is reserving the right to seek recourse directly against us personally. In the circumstances, this action by the AEP is entirely unacceptable. Mantle has made numerous proposals to

the AEP, which mostly have been left unanswered. The expired Reclamation Security is solely as a result of the AEP's failure to make demand under six out of seven of the Bonds, and this failure has significantly increased the cost of this transaction and has put Alberta's public at unnecessary risk of bearing Reclamation Obligations.

33. I am aware that acting as a director of a corporation that operates in a regulated industry inevitably brings with it additional personal obligations and responsibilities. In these circumstances, however, the AEP's actions increase the personal risk beyond these ordinary course expectations, and by creating a litigation risk that is not within the expectation of sophisticated private equity investors, serve as a disincentive for further investment in Alberta. The actions by the AEP require that RLF's funds be deployed to addressing these litigation risks rather than to realizing the investment goals of RLF's investors, who include university endowment funds, pension funds and charitable organizations.

#### **Costs Attributable to Delay**

34. Mantle has incurred significant costs and made great and extended efforts to complete the transaction in its various forms since October 16, 2020. While the Original Transaction could not have closed until the Honourable Justice Eidsvik issued her decision on December 7, 2020 dismissing the application of Jerry Shankowski and 945411 Alberta Ltd. to set aside the sale approval and vesting Order and reverse vesting Order granted on October 16, 2020, and their subsequent withdrawal of their appeals of those Orders on December 7, 2020, since at least mid-December of 2020 it should have been possible to complete the Original Transaction absent the delays by the AEP in responding to the Plan Applicants.
35. In any event, since January 6, 2021, when the Honourable Justice Eidsvik released her decision with respect to the application of parties advancing trust claims in respect of the supply contract with the Municipal District of Bonnyville No. 87, it ought to have been possible to complete the Original Transaction.



THIS IS EXHIBIT "A" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado

ROBIN GRACE WHITE  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134069976  
MY COMMISSION EXPIRES NOVEMBER 16, 2021

**ENTERED**COM Mar 31 2021  
27372  
J. Eidsvik

COURT FILE NO. 2001-05482  
 COURT COURT OF QUEEN'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE COMPROMISE OR  
 ARRANGEMENT OF JMB CRUSHING SYSTEMS INC. and 2161889  
 ALBERTA LTD.

DOCUMENT **MONITOR'S CERTIFICATE**  
**(CONDITIONAL STAY EXTENSION)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
 McCarthy Tétrault LLP  
 4000, 421 – 7th Avenue SW  
 Calgary, Alberta T2P 4K9  
 Attention: Sean Collins / Pantelis Kyriakakis  
 Tel: 403 260 3531 / 3536  
 Fax: 403 260 3501  
 Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca

### RECITALS

- A. Pursuant to an Order of the Honourable Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated May 1, 2020, as subsequently amended and restated on May 11, 2020 (as so amended and restated, the "**Initial Order**"), FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**") of JMB Crushing Systems Inc. and 2161889 Alberta Ltd. (collectively, the "**Applicants**").
- B. Pursuant to an Order of the Court, dated March 5, 2021 (the "**Conditional Stay Extension Order**"), the Court granted an extension of the Stay Period, as ordered and defined in paragraph 13 of the Initial Order, until and including April 2, 2021 (such extension is referred to as, the "**Stay Extension**"), subject to the satisfaction of any one or more of the

-2-

following conditions precedent on or before 4:00 p.m. (Calgary time) on March 12, 2021 (such time and date being, the “**Conditions Date**”):

- a. the Applicants, Mantle Materials Ltd. (“**Mantle**”), ATB Financial (“**ATB**”), and Fiera Private Debt Fund VI LP, by its general partner Fiera Private Debt Fund GP Inc. (“**Fund VI**”) and Fiera Private Debt Fund V LP, by its general partner Fiera Private Debt Fund GP Inc., acting in its capacity as collateral agent for and on behalf of and for the benefit of Fund VI (collectively, “**Fiera**”), have entered into, a funding agreement (the “**Funding Agreement**”), which provides for additional liquidity of least \$300,000 Canadian Dollars to the Applicants on or before 4:00 p.m. on March 12, 2021, which liquidity shall be used in connection with the general operating and corporate purposes of the Applicants; or
- b. the Applicants have otherwise obtained an injection of funds, or the agreement of each of Mantle, ATB, and Fiera to the release of previously restricted funds, on or before 4:00 p.m. on March 12, 2021, in which such persons may have a financial, legal, or equitable interest (whether such funds were previously held in trust by the Monitor or otherwise), in either case, in the amount of at least \$300,000 Canadian Dollars, for use in connection with the general operating and corporate purposes of the Applicants; or
- c. any other person has provided funds in the amount of at least \$300,000 Canadian Dollars to the Applicants, on or before 4:00 p.m. on March 12, 2021, for use in connection with the general operating and corporate purposes of the Applicants; or
- d. the Monitor, on or before 4:00 p.m. on March 12, 2021, delivered the Monitor’s certificate, substantially in the form attached as Schedule “A” to the Amended Sale Approval and Vesting Order, as contemplated in the Applicant’s Application, originally returnable on March 5, 2021,

(the conditions set out in Recitals B(a), B(b), B(c), and B(d) of this certificate are, collectively, the “**Stay Extension Conditions**”).

- C. Pursuant to the Conditional Stay Extension Order, the Stay Extension is to become effective immediately upon the delivery by the Monitor of a certificate confirming that one or more of the Stay Extension Conditions was met on or before the Conditions Date.

**THE MONITOR CERTIFIES** the following:

1. One or more of the Stay Extension Conditions has been satisfied, on or before the Conditions Date, in accordance with and as contemplated by the terms of the Conditional Stay Extension Order.

This Certificate was executed by the Monitor at 9:00 a.m. on March 11, 2021.

**FTI CONSULTING CANADA INC.**, in its capacity as the monitor of **JMB CRUSHING SYSTEMS INC. and 2161889 ALBERTA LTD.**, and not in its personal or corporate capacity.



Per:

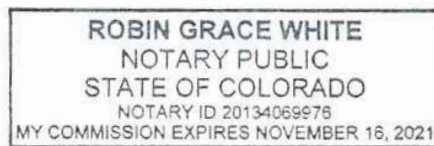
\_\_\_\_\_  
Name: Tom Powell  
Title: Senior Managing Director



THIS IS EXHIBIT "B" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado



CARS20220  
DOE Public  
219727

Corporate Accounting and Reporting System 2 (Production)

Confirmation Of Security Deposit Details Held

2020/09/22

10:23:30 AM

<b>Security Type:</b> CDT,MGT,PBT,PDT,PGT,TGT
<b>Cores Status:</b>
<b>Client Id:</b> 1022044

Report Request Information:

Requested By: JANET.REDEKER

Requested On: 2020-09-22 10:23:25AM

CARS20220  
DOE Public  
219727

Corporate Accounting and Reporting System 2 (Production)  
Confirmation Of Security Deposit Details Held  
AS AT 2020-09-01

Client Id/Name: 1022044 JMB CRUSHING SYSTEMS INC.  
Security Type: MGT MISCELLANEOUS GENERAL TRUST  
Deposit Type: C Cash

Client Cors Status: ACTIVE

Reference Number	Activity	Client	Ext Ref Number	Security Held Amount	Effective Date	Expiry/Maturity Date	Security Required To Date	Activity Status	Comments
00448657	SML 980116	JMB CRUSHING SYSTEMS INC.		9,140.00	1999-06-14			5	SML 980116
09042166	SML 930040	JMB CRUSHING SYSTEMS INC.		1,000.00	2009-01-13			6	SML 930040
21247955	DML 120032	JMB CRUSHING SYSTEMS INC.		17,232.00	2012-12-03			5	
21290650	SML 120027	JMB CRUSHING SYSTEMS INC.		2,960.00	2013-10-01			5	
21403402	SME 150106	JMB CRUSHING SYSTEMS INC.		5,973.75	2016-02-03			7	
21405076	SME 150106	JMB CRUSHING SYSTEMS INC.		26.25	2016-02-18			7	
21563432	SME 200009	JMB CRUSHING SYSTEMS INC.		6,000.00	2020-02-07			5	Security transferred from SME 190058 to SME 200008 In error) and finally to SME 200009.

CARS20220  
DOE Public  
219727

**Corporate Accounting and Reporting System 2 (Production)**  
**Confirmation Of Security Deposit Details Held**

**AS AT 2020-09-01**

CLIENT ID/NAME: 1022044 JMB CRUSHING SYSTEMS INC. CLIENT CORES STATUS: ACTIVE

SECURITY TYPE: MGT	COUNT	AMOUNT
C - Cash	7	42,332.00
TOTAL: MGT	7	42,332.00
CLIENT TOTAL:	7	42,332.00

\*\*\* THIS CONFIRMATION OF SECURITIES HELD BY THE DEPARTMENT OF  
\*\*\* ENVIRONMENT AND PARKS IS "FOR YOUR RECORDS ONLY". PLEASE REVIEW THE \*\*\*  
\*\*\* INFORMATION AND ONLY REPORT ANY DISCREPANCIES. \*\*\*

SEND QUESTIONS OR CONCERNS IN WRITING TO:

ENVIRONMENT AND PARKS  
6 FL SPP, 9915 108 STREET  
EDMONTON ALBERTA  
TSK 2G8

OR AEP.FinancialSecurities@gov.ab.ca

NOTE: FOR MORE DETAILED INFORMATION PLEASE REFER TO OUR COVERING LETTER.

CARSS20220  
DOE Public  
219727

**Corporate Accounting and Reporting System 2 (Production)**  
**Confirmation Of Security Deposit Details Held**

**AS AT 2020-09-01**

FINAL SUMMARY OF SECURITY DEPOSITS HELD

	COUNT	AMOUNT
SECURITY TYPE: MGT		
C - Cash	7	42,332.00
TOTAL: MGT	7	42,332.00
REPORT TOTAL:	7	42,332.00

\*\*\* End Of Report \*\*\*

CARS20220  
DOE Public  
219728

Corporate Accounting and Reporting System 2 (Production)

2020/09/22

10:23:46 AM

Confirmation Of Security Deposit Details Held

Security Type: CDT,MGT,PBT,PDI,PGT,TGT

Cores Status:

Client Id: 1021767

Report Request Information:

Requested By: JANET.REDEKER

Requested On: 2020-09-22 10:23:41AM

**Corporate Accounting and Reporting System 2 (Production)  
Confirmation Of Security Deposit Details Held**

**AS AT 2020-09-01**

CARS20220  
DOE Public  
219728

Client Cores Status: ACTIVE

Client Id/Name: 1021767 2161889 ALBERTA LTD.  
Security Type: MGT MISCELLANEOUS GENERAL TRUST  
Deposit Type: L Letter Of Credit

Reference Number	Activity	Client	Ext Ref Number	Security Effective Held Amount Date	Expiry/ Maturity Date	Security Required To Date	Activity Status	Comments
N7614				78,110.00 2019-01-14	2021-01-14			SML 120005 ARY THIS IS REPLACING N6748
N7614	SML 120005	2161889 ALBERTA LTD.		78,110.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417378 ARY
N7615				77,540.00 2019-01-14	2021-01-14			SML 110026 ARY REPLACING N6660
N7615	SML 110026	2161889 ALBERTA LTD.		77,540.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417362 ARY
N7616				79,690.00 2019-01-14	2021-01-14			SML 110025 ARY REPLACING N6432
N7616	SML 110025	2161889 ALBERTA LTD.		79,690.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417360 ARY
N7617				25,690.00 2019-01-14	2021-01-14			SML 120006 ARY REPLACING N6701
N7617	SML 120006	2161889 ALBERTA LTD.		25,690.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417385 ARY
N7618				41,440.00 2019-01-14	2021-01-14			SML 060060 ARY THIS IS REPLACING N7110
N7618	SML 060060	2161889 ALBERTA LTD.		41,400.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417357 ARY
N7619				29,650.00 2019-01-14	2021-01-14			SML 120100 ARY REPLACING N7256
N7619	SML 120100	2161889 ALBERTA LTD.		29,650.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417386 ARY
N7620				46,110.00 2019-01-14	2021-01-14			SML 110047 ARY REPLACING N7608
N7620	SML 110047	2161889 ALBERTA LTD.		46,110.00 2019-01-14			5	CANADIAN WESTERN BANK L/C 417377 ARY

CARS20220  
 DOE Public  
 219728

**Corporate Accounting and Reporting System 2 (Production)**  
**Confirmation Of Security Deposit Details Held**  
**AS AT 2020-09-01**

Client Id/Name: 1021767 2161889 ALBERTA LTD.  
 Client Cores Status: ACTIVE

Security Type: MGT MISCELLANEOUS GENERAL TRUST  
 Deposit Type: L Letter Of Credit

Reference Number	Activity	Client	Ext Ref Number	Security Held Amount	Effective Date	Expiry/ Maturity Date	Security Required To Date	Activity Status	Comments
N7621	SML 110046	2161889 ALBERTA LTD.		44,380.00	2019-01-14	2021-01-14		5	SML 110046 ARY REPLACING N7606
N7622	SML 110045	2161889 ALBERTA LTD.		57,030.00	2019-01-14	2021-01-14		5	CANADIAN WESTERN BANK L/C 417371 ARY SML 110045 ARY REPLACED N7607
N7627	SML 080085	2161889 ALBERTA LTD.		19,540.00	2019-01-23	2021-01-23		5	CANADIAN WESTERN BANK L/C 417368 ARY SML 080085 ARY THIS IS REPLACING N5647
N7628	SML 100085	2161889 ALBERTA LTD.		42,010.00	2019-01-23	2021-01-23		5	CANADIAN WESTERN BANK L/C 417747 ARY SML 100085 ARY THIS IS REPLACING N6702
N7628	SML 100085	2161889 ALBERTA LTD.		42,010.00	2019-01-23			5	CANADIAN WESTERN BANK L/C 417748 ARY



CARS20220  
DOE Public  
219728

**Corporate Accounting and Reporting System 2 (Production)**  
**Confirmation Of Security Deposit Details Held**  
**AS AT 2020-09-01**

CLIENT ID/NAME: 1021767 2161889 ALBERTALTD. CLIENT CORES STATUS: ACTIVE

SECURITY TYPE: MGT	COUNT	AMOUNT
L - Letter Of Credit	11	541,150.00
TOTAL: MGT	11	541,150.00
CLIENT TOTAL:	11	541,150.00

\*\*\* THIS CONFIRMATION OF SECURITIES HELD BY THE DEPARTMENT OF  
\*\*\* ENVIRONMENT AND PARKS IS "FOR YOUR RECORDS ONLY". PLEASE REVIEW THE \*\*\*  
\*\*\* INFORMATION AND ONLY REPORT ANY DISCREPANCIES. \*\*\*

SEND QUESTIONS OR CONCERNS IN WRITING TO: OR AEP.FinancialSecurities@gov.ab.ca  
ENVIRONMENT AND PARKS  
6 FL. SPP, 9915 108 STREET  
EDMONTON ALBERTA  
T5K 2G8

NOTE: FOR MORE DETAILED INFORMATION PLEASE REFER TO OUR COVERING LETTER.

CARS20220  
DOE Public  
219728

**Corporate Accounting and Reporting System 2 (Production)**  
**Confirmation Of Security Deposit Details Held**

**AS AT 2020-09-01**

FINAL SUMMARY OF SECURITY DEPOSITS HELD

	COUNT	AMOUNT
SECURITY TYPE: MGT		
L - Letter Of Credit	11	541,150.00
TOTAL: MGT	11	541,150.00
REPORT TOTAL:	11	541,150.00

\*\*\* End Of Report \*\*\*

## PERFORMANCE BOND

BOND NO. BND0015360  
APPROVAL NO. 004-15048

AMOUNT: \$ 15,441.00

KNOW ALL MEN BY THESE PRESENTS THAT JMB CRUSHING SYSTEMS ULC (hereinafter called "the Principal") and the NORTHBRIDGE GENERAL INSURANCE CORPORATION a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION, as Obligee (hereinafter called "the Obligee"), in the amount of FIFTEEN THOUSAND, FOUR HUNDRED AND FORTY-ONE ---- 00/100 Dollars (\$15,441.00) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted JMB CRUSHING SYSTEMS ULC Approval Number 004-15048 (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate BUKSA PIT NE 24-056-07-W4M operation, subject to the terms and conditions and requirements attached in the Approval.


- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARCH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 (seal)

**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 (seal)  
CASSIDY RUSH  
Attorney-in-fact

**PERFORMANCE BOND****BOND NO. BND0015361****APPROVAL NO. 002-17395****AMOUNT: \$ 41,872.00**

KNOW ALL MEN BY THESE PRESENTS THAT **JMB CRUSHING SYSTEMS ULC** (hereinafter called "the Principal") and the **NORTHBRIDGE GENERAL INSURANCE CORPORATION** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of **FORTY-ONE THOUSAND, EIGHT HUNDRED AND SEVENTY-TWO** ---- **00/100** Dollars (**\$41,872.00**) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted **JMB CRUSHING SYSTEMS ULC** Approval Number **002-17395** (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate **HAVENER PIT NW 16-056-07-W4M** operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.


IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARCH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 (seal)

**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 (seal)  
CASSIDY RUSH  
Attorney-in-fact

**PERFORMANCE BOND**

**BOND NO. BND0015364**

**APPROVAL NO. 001-306490**

**AMOUNT: \$ 31,872.25**

KNOW ALL MEN BY THESE PRESENTS THAT **JMB CRUSHING SYSTEMS ULC** (hereinafter called "the Principal") and the **NORTHBRIDGE GENERAL INSURANCE CORPORATION** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of **THIRTY-ONE THOUSAND, EIGHT HUNDRED AND SEVENTY-TWO** ---- **25/100** Dollars (**\$31,872.25**) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted **JMB CRUSHING SYSTEMS ULC** Approval Number **001-306490** (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate **HOYE/KUCY PIT NW 17, NE 18 AND SE 19-063-09-W4M** operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
  
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.

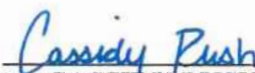
IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARCH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 (seal)

**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 (seal)  
CASSIDY RUSH  
Attorney-in-fact



**PERFORMANCE BOND**

**BOND NO. BND0015363**

**APPROVAL NO. 001-293051**

**AMOUNT: \$ 16,695.00**

KNOW ALL MEN BY THESE PRESENTS THAT **JMB CRUSHING SYSTEMS ULC** (hereinafter called "the Principal") and the **NORTHBRIDGE GENERAL INSURANCE CORPORATION** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of **SIXTEEN THOUSAND, SIX HUNDRED AND NINETY-FIVE --- 00/100** Dollars (**\$16,695.00**) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted **JMB CRUSHING SYSTEMS ULC** Approval Number **001-293051** (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate **MACDONALD PIT SE 34-056-07-W4M** operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
  
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 (seal)

**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 (seal)  
CASSIDY RUSH  
Attorney-in-fact

**PERFORMANCE BOND****BOND NO. BND0015359****APPROVAL NO. 001-149949****AMOUNT: \$ 74,683.81**

KNOW ALL MEN BY THESE PRESENTS THAT **JMB CRUSHING SYSTEMS ULC** (hereinafter called "the Principal") and the **NORTHBRIDGE GENERAL INSURANCE CORPORATION** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of **SEVENTY-FOUR THOUSAND, SIX HUNDRED AND EIGHTY-THREE ---- 81/100 Dollars (\$74,683.81)** lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted **JMB CRUSHING SYSTEMS ULC** Approval Number **001-149949** (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate **MEGLEY PIT SE 35 & SW 36-058-16-W4M** operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARCH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 \_\_\_\_\_ (seal)  
**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 \_\_\_\_\_ (seal)  
**CASSIDY RUSH**  
Attorney-in-fact

**PERFORMANCE BOND**

**BOND NO. BND0015362**

**APPROVAL NO. 001-263318**

**AMOUNT: \$ 39,805.00**

KNOW ALL MEN BY THESE PRESENTS THAT **JMB CRUSHING SYSTEMS ULC** (hereinafter called "the Principal") and the **NORTHBRIDGE GENERAL INSURANCE CORPORATION** a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS ATTN: DIRECTOR, RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of **THIRTY-NINE THOUSAND, EIGHT HUNDRED AND FIVE ---- 00/100** Dollars (**\$39,805.00**) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted **JMB CRUSHING SYSTEMS ULC** Approval Number **001-263318** (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate **O'KANE PIT NE 10-057-06-W4M** operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
  
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 9<sup>TH</sup> day of MARCH, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 \_\_\_\_\_ (seal)

**NORTHBRIDGE GENERAL  
INSURANCE CORPORATION**

 \_\_\_\_\_ (seal)  
**CASSIDY RUSH**  
Attorney-in-fact

**PERFORMANCE BOND****BOND NO. BND0015967****APPROVAL NO. 002-308161****AMOUNT: \$180,120.57**

KNOW ALL MEN BY THESE PRESENTS THAT JMB CRUSHING SYSTEMS ULC (hereinafter called "the Principal") and the NORTHBRIDGE GENERAL INSURANCE COMPANY, a corporation created and existing under the laws of Canada, and duly authorized to transact the business of Suretyship in Canada as Surety (hereinafter called "the Surety") are held and firmly bound unto **HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA AS REPRESENTED BY THE MINISTER OF ENVIRONMENT AND PARKS, ATTN: DIRECTOR RED DEER/NORTH SASKATCHEWAN REGION**, as Obligee (hereinafter called "the Obligee"), in the amount of ONE HUNDRED EIGHTY THOUSAND ONE HUNDRED TWENTY AND 57/100 Dollars (\$180,120.57) lawful money of Canada for the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally firmly by these presents.

WHEREAS, the Principal has applied for and the Obligee has granted JMB CRUSHING SYSTEMS ULC Approval Number 002-308161 (hereinafter called "the Approval") which is subject at any time to amendment by the Obligee, to operate SHANKOWSKI PIT SW 21-056-07-W4M operation, subject to the terms and conditions and requirements attached in the Approval.

- 1) Whenever the Principal shall be, and declared by the Obligee to be, in default under the Approval, the Surety shall promptly:
  - a. Remedy the default in accordance with the terms and conditions of the Approval, or
  - b. Obtain a bid or bids for submission to the Obligee for remedying the default in accordance with the terms and conditions of the Approval and upon determination by the Obligee and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as work progresses (even though there should be a default, or a succession of defaults, under the contract or contracts of completion, arrange under this paragraph) sufficient funds to pay the cost of completion but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof.
- 2) The term of this Bond is one (1) year beginning on the date of execution of this Bond and ending on the first anniversary of the said date.

- 3) Provided always that if the Surety shall at any time give ninety (90) days notice in writing to the Principal and to the Director of its intention to put an end to the Suretyship hereby entered into then this bond and all accruing responsibility thereunder shall from and after the last day of such (ninety) 90 days aforesaid cease and determine except insofar as the Principal has made default prior to the said last day of such period, and provided that, should the Principal fail, within sixty (60) days of receipt by the Director of the said notice of termination, to provide financial security in at least the same amount as this bond in a form acceptable to the Obligee, the Surety shall automatically and immediately pay the full amount of this bond to the Obligee.
- 4) In the event the Surety becomes unable to fulfill its obligations under this bond for any reason, notice shall be given immediately, by registered mail, to the Principal and the Director. Upon the Director's receipt of the Surety's notification or upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage and will be required to submit alternate financial security, subject to the approval of the Obligee and as required by Section 135 of the *Environmental Protection and Enhancement Act*, within 30 days.
- 5) Any Suit under this Bond must be instituted before the expiration of one (1) year from the date of termination.


IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond this 13<sup>th</sup> day of November, 2018.

Signed and Sealed in the presence of:

**JMB CRUSHING SYSTEMS ULC**

 (seal)

**NORTHBRIDGE GENERAL  
INSURANCE COMPANY**

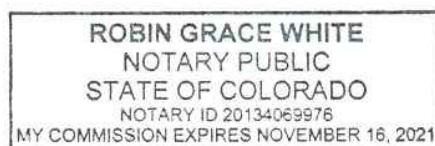
 (seal)  
Allen Walter  
Attorney-in-fact



THIS IS EXHIBIT "C" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado





Regulatory Assurance Division  
Capital District – North Region  
111, 4999 – 98 Avenue NW  
Twin Atria Building  
Edmonton, AB T6B 2X3  
Telephone: 780-427-5296  
[www.alberta.ca](http://www.alberta.ca)

**DEMAND FOR PAYMENT**

December 3, 2020

Mr. Dan Robinson  
[Dan.robinson@nbfcc.com](mailto:Dan.robinson@nbfcc.com)  
Northbridge General Insurance Corporation  
Suite 700, 105 Adelaide Street West  
Toronto, ON M5H 1P9

Dear Mr. Robinson:

**RE: Performance Bond No. BND0015360 dated December 12, 2018**

We hereby claim the sum of \$50,442.17 pursuant to the Northbridge General Insurance Company's Performance Bond No. BND0015360 dated December 12, 2018.

Enclosed is the above referenced Performance Bond.

This claim represents amounts owing to Her Majesty the Queen in right of the Province of Alberta pursuant to Registration No. 15048-03-00 with JMB Crushing Systems Inc. (formerly JMB Crushing Systems ULC) dated March 15, 2012.

Please make cheque payable to "Government of Alberta" and forward to:

Valerie Collins  
Application & Security Coordinator  
Alberta Environment and Parks  
Regulatory Approvals Centre  
5<sup>th</sup> FL 9915 108 Street  
EDMONTON AB T5K 2G8

Yours truly,



Muhammad Aziz  
Approvals Manager  
Capital Area – RAD North  
(Designated Director under the Act)

cc: Stephen Abioye, AEP;  
Tyler Pell, [tylerpell@jmbcrush.com](mailto:tylerpell@jmbcrush.com);  
Valerie Collins, AEP

THIS IS EXHIBIT "D" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado

ROBIN GRACE WHITE  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134069976  
MY COMMISSION EXPIRES NOVEMBER 16, 2021



Environment  
and Parks

Regulatory Assurance  
Capital Region  
Spruce Grove  
PO Box 4240 (T7X 3B4)  
250 Diamond Avenue  
Spruce Grove AB T7X 4C7  
Telephone: 780-960-8600

February 12, 2021

Investigation No. 35659

Mr. Tyler Pell  
tylerpell@jmbcrush.com  
Aggregate Resource Manager  
JMB Crushing Systems Inc.  
PO Box 6977  
Bonnyville AB T9N 2H4

**Re: Letter of Non-Compliance – Pits regulated under the *Code of Practice under Environmental Protection and Enhancement Act (EPEA) and Conservation and Reclamation Regulation, and Water Act***

---

Alberta Environment and Parks (AEP) has identified numerous issues of non-compliance with pits registered to JMB Crushing Systems Inc.(JMB) located on private land. On January 26, 2021, AEP conducted a review of the Activities Plans and satellite imagery (attached as Appendix A) on the following Registrations:

**Registration No. 149949-00-00** Megley Pit SE 35-58-16-4  
**Registration No. 15048-03-00** Buksa Pit NE 24-56-7-4  
**Registration No. 17395-01-00** Havener Pit NW 16-56-7-4  
**Registration No. 263318-00-00** O'Kane Pit NE 10-57-6-4  
**Registration No. 293318-00-00** MacDonald Pit SE 34-56-7-4  
**Registration No. 306490-00-00** Kucy Pit NW 17, NE 18 & SE 19-63-9-4  
**Registration No. 308161-00-00** Shankowski Pit SW 21-56-7-4

***Code of Practice under EPEA and Conservation and Reclamation Regulation***

AEP has determined that for one or all of the pits listed above, JMB has:

- failed to restore the required security;
- failed to submit the required 5-year report;
- failed to follow the Activities Plan mining sequence with absence of reclamation noted on all pits;
- failed to comply to the boundary approved in the Registration;
- failed to report these non-compliance issues to the Director.

- 2 -

The above are contraventions to the *Code of Practice for Pits* under EPEA and the *Conservation and Reclamation Regulation*:

*"3.2.2 Unless exempted by the Act or the Conservation and Reclamation Regulation, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."*

*"4.1.1 No person shall conduct any activity at a pit except in accordance with the most recent Activities Plan."*

*"6.1.1 In addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director."*

*"6.1.4 In addition to any other reporting requirements pursuant to this Code of Practice, the Act or the regulations, the registration holder shall provide a written report to the Director: (a) no later than 5 years after the date of the registration; and (b) every 5 years thereafter until:"*

*"6.1.6 No person shall commence or continue an activity at a pit after the applicable date specified in 6.1.4 unless the applicable written report in 6.1.4 has been submitted to the Director."*

### **Water Act**

In addition to the above noted non-compliances, AEP has also observed water bodies, as defined under the *Water Act* on Kucy Pit and Megley Pit. If there has been a disturbance to ground water this could be considered an unauthorized activity and a contravention of section 36(1) of the *Water Act* which states:

*"No person may commence or continue an activity except pursuant to an approval, unless it is otherwise authorized under this Act".*

A review of departmental records indicates that no *Water Act* approval has been applied for or was issued for the above-mentioned activity and as such all work associated with the unauthorized activity must immediately stop.

### **Written Plan to Resolve Non-Compliance**

For each pit, JMB Crushing Systems Inc. is required to submit a written plan to AEP by no later than February 18, 2021:

- detailing its assessment of the pit against the terms and conditions of the Registration and the *Code of Practice for Pits*.
- describing how JMB plans to bring each pit into compliance with the Registration and the *Code of Practice for Pits*, and by when;
- describing how JMB plans on assessing the potential *Water Act* contraventions

- 3 -

Please be advised that enforcement action arising from the above noted contravention of the *Code of Practice for Pits and Water Act* may also be taken without further notice. Should you have any questions regarding this letter, please contact the undersigned at 780-960-8659 or at [april.franks@gov.ab.ca](mailto:april.franks@gov.ab.ca).

Respectfully,



April Franks  
Environmental Protection Officer  
Alberta Environment and Parks

CC. Maxwell Harrision, Compliance Manager (acting)  
Heather Dent, Compliance Manger  
Neil Brad, Regulatory Assurance Manager  
Bryon LevKulich, Mantles Materials Group, Ltd.  
Josh Inglett, Mantles Materials Group, Ltd.  
Vivian Ball, Legal Services Division  
Lee Plumb, Legal Services Division  
Tom Cumming, Growling WLG (Canada) LLP





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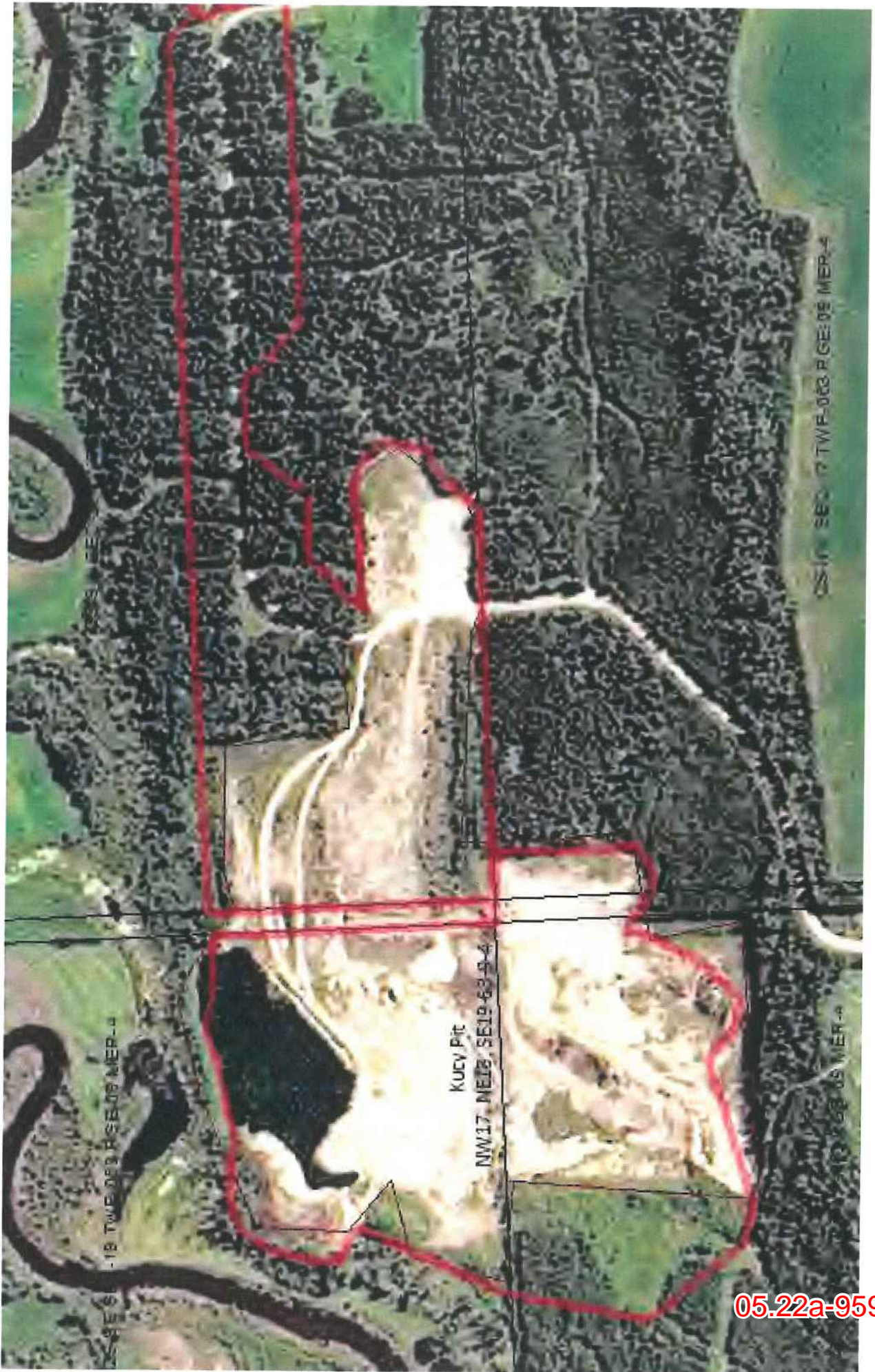
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SE SEC-20 TWP-056 RGE-07 MER-4 SW 21-56-7-4  
Shankowski Pt.

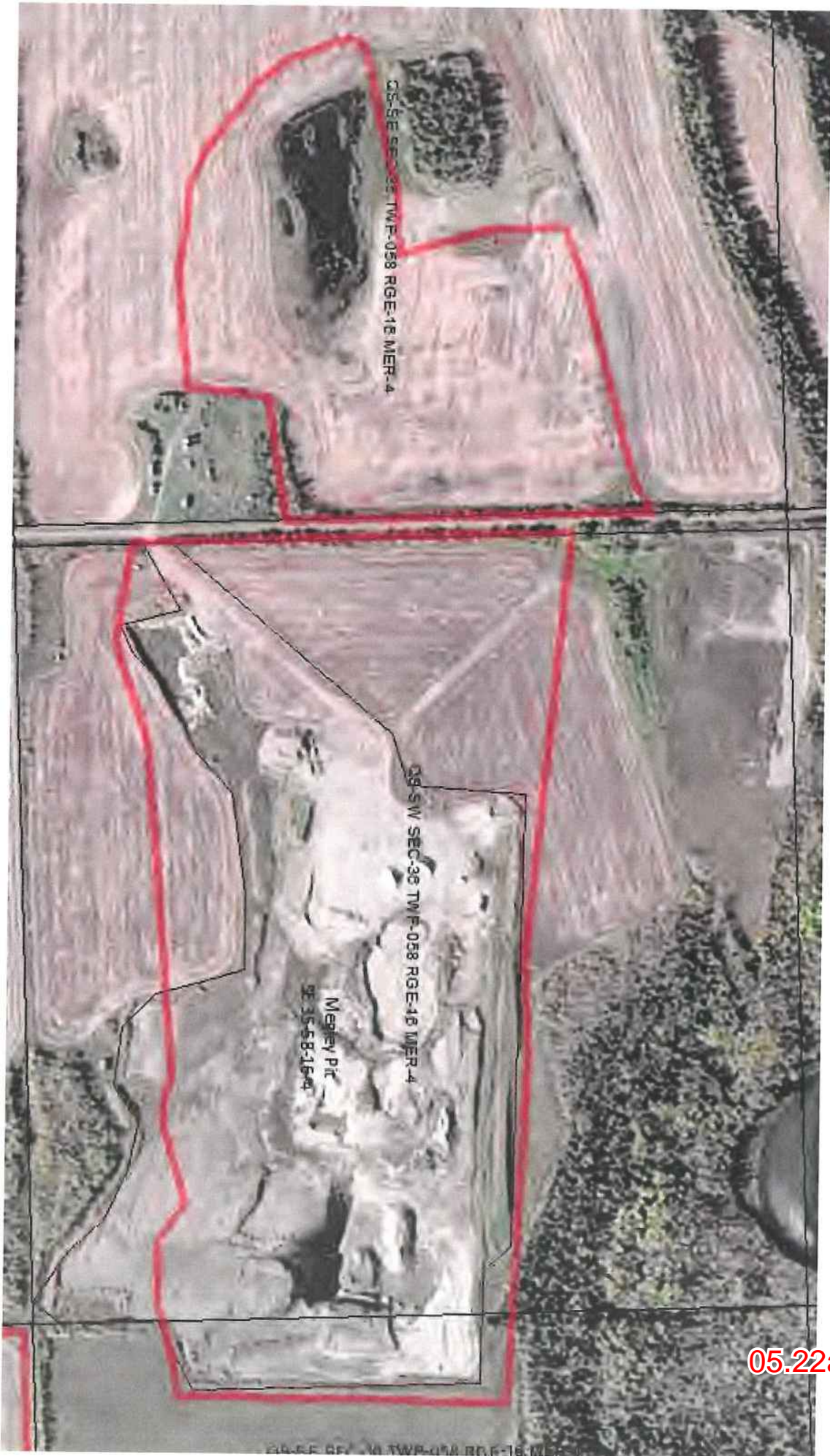
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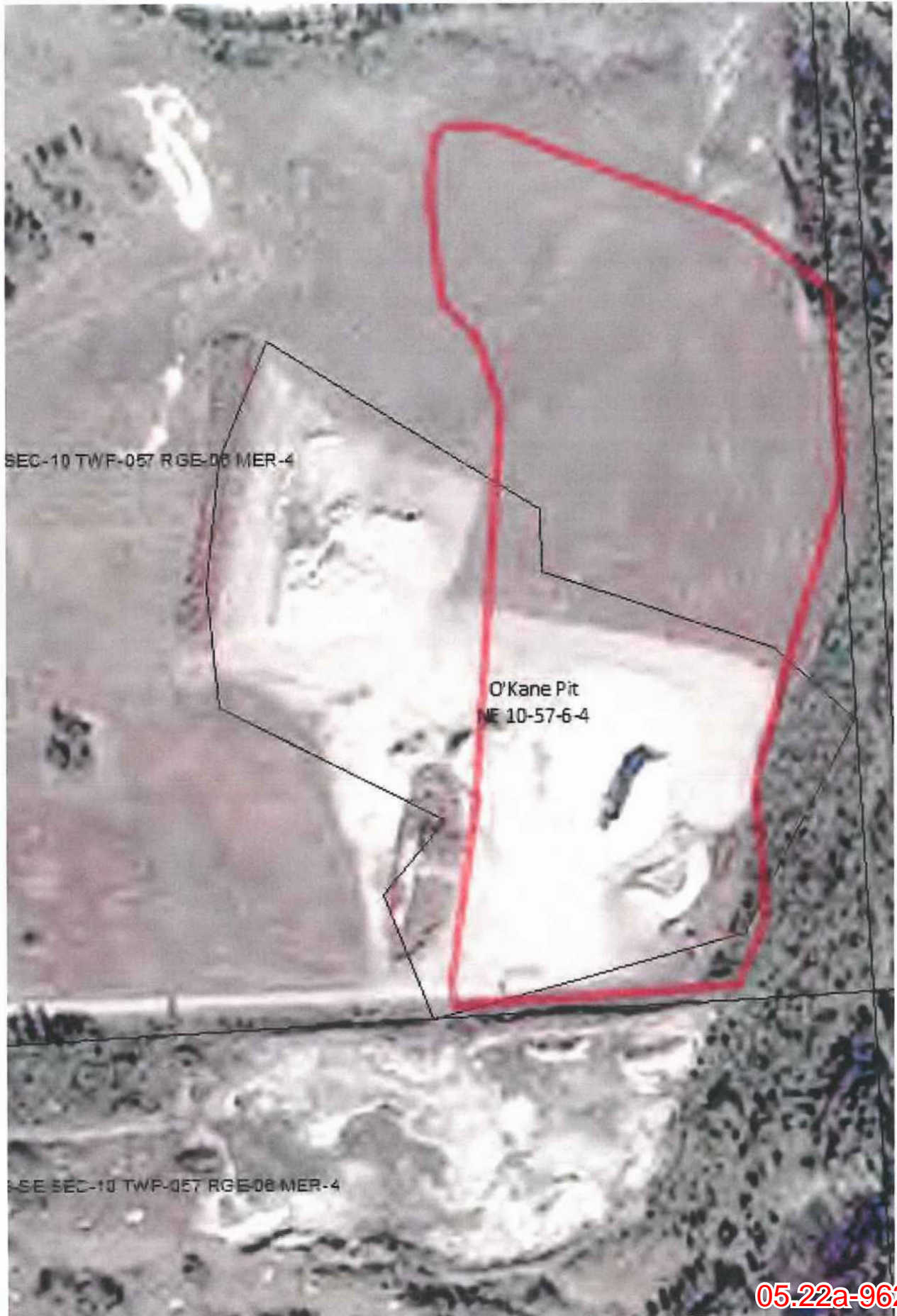
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NW 16-56-7-4

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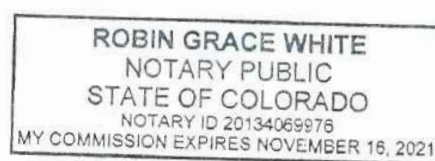




THIS IS EXHIBIT "E" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado



---

**From:** Randall Barrett <Randall.Barrett@gov.ab.ca>  
**Sent:** February 26, 2021 6:13 PM  
**To:** Cumming, Tom  
**Cc:** Neil Brad; Muhammad Aziz; Stephen Abioye; Gray, Alison; Vivienne Ball; Josh Inglett; tom.gusa@dentons.com; kmahar@millerthomson.com  
**Subject:** RE: JMB Crushing Systems Reclamation Bonding  
**Attachments:** Security\_Expiring\_-\_2020.pdf; 15048 Demand for Payment (002).pdf; Letter of Advice Transfer of JMB Pits Nov 18 2020 (002).pdf; Additional\_Security\_Request.pdf

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

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Dear Mr. Cumming,

We received your February 22, 2021 e-mail regarding JMB Crushing Systems Inc. (JMB Crushing) and reclamation bonding, and here is my response to your questions. I am responding to your e-mail on behalf of Alberta Environment and Parks to provide a comprehensive response to your questions. Please continue to direct further correspondence on the status of your client's EPEA regulatory activities to Mr. Muhammad Aziz.

I feel it necessary to note that JMB Crushing, as the operator under a number of Registrations issued under the *Environmental Protection and Enhancement Act* (EPEA) has the obligation to undertake conservation or reclamation on the specified land associated with each Registration at the end of life of their operation.

The provision of security is a method the Crown uses to ensure these end of life obligations are satisfied by the Registration holder. To be clear, the accountability to provide security for sand and gravel operations rests with the operator holding the Registration under EPEA for pits on private land and with the disposition holder for pits on public land under the *Public Lands Act*.

The correspondence from AEP relating to the security for the pits associated with the Registrations held by JMB Crushing is attached, which you will note was sent well in advance of the security expiring. These letters provided notice to your client to provide updated security to AEP before expiry of the security for the following Registrations and pits:

1. 15048-03-00 - Buksa Pit NE 24-056-07-W4M - \$50,442.14 expired Dec. 12/20 -
2. 17394-00-00 - E 35-056-06-W4M - cash \$7,800.00;
3. 17395-01-00 - Havener Pit NW 16-056-07-W4M - \$41,872.00 expired Mar. 9/20 -
4. 149949-00-00 - Megley Pit SE 35-058-16-W4M - \$74,683.81 expired Mar. 9/20;
5. 263318-00-00 - O'Kane Pit NE 10-057-06-W4M - \$39,805.00 expired Mar. 9/20;
6. 293051-00-00 ~ MacDonald Pit SE 34-056-07-W4M - \$16,695.00 expired Mar. 9/20
7. 306490-00-00 ~ Kucy Pit NW 17. NE 18 & SE 19-063-09-W4M - \$31,872.25 expired Mar. 9/20; and
8. 308161-00-00 - Shankowski Pit SW 21-056-07-W4M - \$180,120.57 expired Nov.13/20

In regards to section 24.1 of the *Conservation and Reclamation Regulation* referred to in Mr. Inglett's February 18, 2021 email, this provision does not apply here. The Minister has the discretion to convert an instrument into cash where a security instruments will not be renewed before it expires. Conversion of a security instrument under this section may be triggered at the discretion of the Minister if a company indicates (a) the registration holder is served with a petition



into bankruptcy; (b) the registration holder files an assignment in bankruptcy or Notice of Intent to make a proposal; (c) a receiver or receiver-manager is appointed; or (d) an application for protection from creditors is filed for the benefit of the registration holder under any creditor protection legislation.

In answer to your questions:

- Was demand made prior to the expiry date by the AEP on ALL of the Bonds?

Answer: No it was not sent for all bonds. It is the registration holder's responsibility to arrange for appropriate security for their pits. AEP sent a letter on December 3, 2020 claiming the sum of \$50,442.17 pursuant to the Northbridge General Insurance Company's Performance Bond No. BND0015360.

- If so, please provide us with copies of the demand letters?

Answer: AEP sent letters to JMB Crushing to replenish security prior to the security expiring to allow time for JMB Crushing to make the appropriate arrangements. I've attached:

- AEP's December 2019 letter to JMB Crushing requesting additional security for the MacDonald pit (#8 above);
- the letter sent by AEP's Regulatory Approvals Center on January 20, 2020 to JMB Crushing that demanded renewal of security for five pits registered to JMB Crushing;
- AEP's letter sent on November 18, 2020 to JMB Crushing advising of the status of each of the securities for each of the 8 Registrations listed above;
- AEP's letter sent on December 3, 2020 claiming the sum of \$50,442.17 pursuant to the Northbridge General Insurance Company's (Northbridge) Performance Bond No. BND0015360. Consistent with the discussion about s. 24.1 above, AEP demanded payment after receiving notice that JMB was in CCAA proceedings. AEP has received no response from Northbridge to date.
- Has the AEP commenced an action against Northbridge on the bonds in respect of the MacDonald Pit (001-293051), the Hoye/Kucy Pit (001-306490), the Megley Pit (001-149949) and the O'Kane Pit (001-263318)?

Answer: No. As discussed above, the provision of security is the responsibility of the Registration holder JMB Crushing.

- If so, please provide us with copies of the statement of claim.

Answer: See response above.

- If not, does the AEP intend to file its statement of claim against Northbridge prior to March 9, 2020, the deadline set out in the Bonds for initiating that claim?

Answer: No. As discussed above, the provision of security is the responsibility of the Registration holder JMB Crushing .

- Also, if demand was made, has Northbridge provided in writing its response?

Answer: See response above.

- If so, please provide us with copies of that response.

Answer: See response above.

Regards,

**Randall Barrett**

Executive Director  
Regulatory Assurance North | Regulatory Assurance Division  
Alberta Environment & Parks  
Phone 780-427-0689



Classification: Protected A

**From:** Neil Brad

**Sent:** Monday, February 22, 2021 5:10 PM

**To:** 'Cumming, Tom' <[Tom.Cumming@gowlingwlg.com](mailto:Tom.Cumming@gowlingwlg.com)>

**Cc:** Gray, Alison <[Alison.Gray@gowlingwlg.com](mailto:Alison.Gray@gowlingwlg.com)>; Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>; Tom Gusa - Dentons ([tom.gusa@dentons.com](mailto:tom.gusa@dentons.com)) <[tom.gusa@dentons.com](mailto:tom.gusa@dentons.com)>; Kyla Mahar ([kmahar@millerthomson.com](mailto:kmahar@millerthomson.com)) <[kmahar@millerthomson.com](mailto:kmahar@millerthomson.com)>; Stephen Abioye <[Stephen.Abioye@gov.ab.ca](mailto:Stephen.Abioye@gov.ab.ca)>; Muhammad Aziz <[muhammad.aziz@gov.ab.ca](mailto:muhammad.aziz@gov.ab.ca)>; 'Neil Brad' <[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)>

**Subject:** RE: JMB Crushing Systems Reclamation Bonding

Good Afternoon Mr. Cummings.

We have forwarded your questions below, the questions from Mr. Inglet and those you provide on Thursday Feb 18, 021 ( attached) to the our securities coordinator in our Regulatory Approvals Centre (RAC). As you can appreciate, our RAC staff are working on multiple issues at any given time. I recognize that this is frustrating to you given the time-line pressures you are in.

I have been advised that RAC will be providing a response to your questions to the extent they are able as soon as reasonably possible.

Kind regards;

**Neil Brad**

Regulatory Assurance Manager  
Regulatory Assurance Division  
Alberta Environment and Parks  
North Region

(780) 422-8686 office  
(780) 918-5606 cell  
[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)

Classification: Protected A

**From:** Cumming, Tom <[Tom.Cumming@gowlingwlg.com](mailto:Tom.Cumming@gowlingwlg.com)>

**Sent:** Monday, February 22, 2021 10:07 AM

**To:** Stephen Abioye <[Stephen.Abioye@gov.ab.ca](mailto:Stephen.Abioye@gov.ab.ca)>; Neil Brad <[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)>; Muhammad Aziz <[muhammad.aziz@gov.ab.ca](mailto:muhammad.aziz@gov.ab.ca)>  
**Cc:** Gray, Alison <[Alison.Gray@gowlingwlg.com](mailto:Alison.Gray@gowlingwlg.com)>; Vivienne Ball <[vivienne.ball@gov.ab.ca](mailto:vivienne.ball@gov.ab.ca)>; Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>; Tom Gusa - Dentons ([tom.gusa@dentons.com](mailto:tom.gusa@dentons.com)) <[tom.gusa@dentons.com](mailto:tom.gusa@dentons.com)>; Kyla Mahar ([kmahar@millertomson.com](mailto:kmahar@millertomson.com)) <[kmahar@millertomson.com](mailto:kmahar@millertomson.com)>  
**Subject:** RE: JMB Crushing Systems Reclamation Bonding

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Neil, Muhammad and Neil,

Thank you for Stephen's note on Friday.

Can you provide us by no later than today with responses to the following questions and requests:

- Was demand made prior to the expiry date by the AEP on ALL of the Bonds?
- If so, please provide us with copies of the demand letters?
- Has the AEP commenced an action against Northbridge on the bonds in respect of the MacDonald Pit (001-293051), the Hoyer/Kucy Pit (001-306490), the Megley Pit (001-149949) and the O'Kane Pit (001-263318)?
- If so, please provide us with copies of the statement of claim.
- If not, does the AEP intend to file its statement of claim against Northbridge prior to March 9, 2020, the deadline set out in the Bonds for initiating that claim?
- Also, if demand was made, has Northbridge provided in writing its response?
- If so, please provide us with copies of that response.

We will be updating the Court on this situation on Wednesday February 24<sup>th</sup>. I want to reiterate once more the importance of this issue to the estate of JMB and its principal stakeholders.

I am copying your counsel on this email, together with counsel for the Monitor, ATB Financial and Fiera Capital.

Best regards,

Tom Cumming  
 Partner  
 T +1 403 298 1938  
 M +1 403 606 4592

[tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)

Note that we continue to operate remotely at full capacity but our physical office is only partially open as a result of the continuing COVID-19 health measures. Until full reopening, please use my Mobile number (in red). Thank you.



**From:** Stephen Abioye <[Stephen.Abioye@gov.ab.ca](mailto:Stephen.Abioye@gov.ab.ca)>

**Sent:** February-19-21 2:14 PM

**To:** Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>; Neil Brad <[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)>; Muhammad Aziz

<[muhammad.aziz@gov.ab.ca](mailto:muhammad.aziz@gov.ab.ca)>

**Cc:** Cumming, Tom <[Tom.Cumming@gowlingwlg.com](mailto:Tom.Cumming@gowlingwlg.com)>; Gray, Alison <[Alison.Gray@gowlingwlg.com](mailto:Alison.Gray@gowlingwlg.com)>; Jeff Ryks <[jeff.ryks@mantlegroup.ca](mailto:jeff.ryks@mantlegroup.ca)>; Tyler Pell <[tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca)>

**Subject:** RE: JMB Crushing Systems Reclamation Bonding

This message originated from outside of Gowling WLG. | Ce message provient de l'extérieur de Gowling WLG.

Hi Josh,

We are following things up internally, coordinating this with the groups/sections involved for the next line of actions. We hope to get their responses back as soon as possible.

Thanks,

~

Stephen

**From:** Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>

**Sent:** Friday, February 19, 2021 1:40 PM

**To:** Neil Brad <[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)>; Muhammad Aziz <[muhammad.aziz@gov.ab.ca](mailto:muhammad.aziz@gov.ab.ca)>; Stephen Abioye <[Stephen.Abioye@gov.ab.ca](mailto:Stephen.Abioye@gov.ab.ca)>

**Cc:** Cumming, Tom <[Tom.Cumming@gowlingwlg.com](mailto:Tom.Cumming@gowlingwlg.com)>; Gray, Alison <[Alison.Gray@gowlingwlg.com](mailto:Alison.Gray@gowlingwlg.com)>; Jeff Ryks <[jeff.ryks@mantlegroup.ca](mailto:jeff.ryks@mantlegroup.ca)>; Tyler Pell <[tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca)>; Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>

**Subject:** RE: JMB Crushing Systems Reclamation Bonding

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

All,

I wanted to follow up on the below. Can a representative of the AEP provide a response as to the status of reviewing the demand for payment on the 7 JMB bonds? I wanted to reiterate that point 5 of the bonds requires suits be instituted before the expiration of 1 year from the date of termination. For five of the bonds, that is March 9<sup>th</sup>. Therefore there is urgency to get coordinated on a response to this matter.

Feel free to give me a call to discuss if you would prefer.

Thank you,

**Josh Inglett | Associate | Resource Land Holdings, LLC**

1400 16<sup>th</sup> Street, Suite 320, Denver, CO 80202

Phone 314.630.6020 | Email [Josh.Inglett@RLHoldings.com](mailto:Josh.Inglett@RLHoldings.com)

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**From:** Josh Inglett

**Sent:** Thursday, February 18, 2021 8:03 AM

**To:** Neil Brad <[neil.brad@gov.ab.ca](mailto:neil.brad@gov.ab.ca)>; Muhammad Aziz <[muhammad.aziz@gov.ab.ca](mailto:muhammad.aziz@gov.ab.ca)>; Stephen Abioye <[Stephen.Abioye@gov.ab.ca](mailto:Stephen.Abioye@gov.ab.ca)>

**Cc:** Cumming, Tom <[Tom.Cumming@gowlingwlg.com](mailto:Tom.Cumming@gowlingwlg.com)>; Gray, Alison <[Alison.Gray@gowlingwlg.com](mailto:Alison.Gray@gowlingwlg.com)>; Jeff Ryks <[jeff.ryks@mantlegroup.ca](mailto:jeff.ryks@mantlegroup.ca)>; Tyler Pell <[tyler.pell@mantlegroup.ca](mailto:tyler.pell@mantlegroup.ca)>; Josh Inglett <[josh.inglett@RLHoldings.com](mailto:josh.inglett@RLHoldings.com)>

**Subject:** JMB Crushing Systems Reclamation Bonding

Good morning,

As follow up to our conversation last week, please see attached bonds on the 7 private pits at JMB. Have you all been able to connect internally on this matter and identify the appropriate person for us to liaise with on demanding payment for these bonds? I would point out the point number 5 on the bonds requires suits under the bond be instituted before the

expiration of 1 year from the date of termination. For many of the bonds, that is March 9<sup>th</sup>, so we need to move quickly on this.

Furthermore, I have discussed this matter with Northbridge (the surety) and they confirmed receipt of the demand for payment letters from the AEP. However, they are not willing to payout on the demands given there is no default on the bonds. We reviewed the regulations and identified CARR – 24.1 (excerpt below) and believe that this disputes the surety's position.

**ALBERTA REGULATION 115/93  
Environmental Protection and Enhancement Act  
CONSERVATION AND RECLAMATION REGULATION**

**Conversion of security where no renewal**

**24.1** Where, in the Minister's opinion,

- (a) the security instrument provided by the operator will not be renewed before it expires, and
  - (b) the operator has not provided satisfactory replacement security before the expiry of that instrument,
- the Minister may instruct the issuer of the security instrument to convert the instrument to cash.

When you have had a chance to review, can we please have a call to discuss next steps. It would be best to coordinate directly with the appropriate person within the AEP so that we can respond to the surety in a timely manner.

Feel free to give me a call if you have any questions.

Thank you,

**Josh Inglett | Associate | Resource Land Holdings, LLC**  
1400 16<sup>th</sup> Street, Suite 320, Denver, CO 80202  
Phone 314.630.6020 | Email [Josh.Inglett@RLHoldings.com](mailto:Josh.Inglett@RLHoldings.com)

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Operations  
 Regulatory Approvals Centre  
 5<sup>th</sup> Floor, South Petroleum Plaza  
 9915 – 108 Street  
 Edmonton, Alberta T5K 2G8  
 Canada  
 Telephone: (780) 427-6311  
 Fax: (780) 422-0154  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

January 20, 2020

Jeff Buck  
 JMB Crushing Systems ULC  
 BOX 6977  
 BONNYVILLE AB T9N 2H4

Dear Mr. Buck:

**RE: Security Deposit**

The following Performance Bonds are expiring March 9, 2020. A Continuation Certificate or a replacement Bond for a minimum 1 year term is required one month prior to expiry.

Registration No.	Legal Land Location	Performance Bond No.	Amount
17395-01-00	Havener Pit NW 16-056-07-W4M	BND0015361	\$41,872.00
149949-00-00	Megley Pit SE 35 & SW 36-058-16-W4M	BND0015359	\$74,683.81
263318-00-00	O'Kane Pit NE 10-057-06-W4M	BND0015362	\$39,805.00
293051-00-00	MacDonald Pit SE 34-056-07-W4M	BND0015363	\$16,695.00
306490-00-00	Kucy Pit NW 17, NE 18 & SE 19-063-09-W4M	BND0015364	\$31,872.25

Please note, additional security in the amount of \$60,905.51 was requested on December 3, 2019 on Application 002-293051 for a new total of \$77,600.51 (see attached). I have attached our security options for your information in case you would like to change your form of security.

If we do not receive a replacement security, we will have no alternative but to demand payment. Please give this matter your earliest attention.

Please call me at (780) 427-9541 if you have any questions.

Yours truly

*Valerie Collins*

Valerie Collins  
 Application & Security Coordinator

Encl.

cc: Red Deer/North Saskatchewan Region – Edmonton  
 Tenille Paul, JMB Crushing Systems ULC  
 Northbridge General Insurance Corporation



Regulatory Assurance Division  
Capital District – North Region  
111, 4999 – 98 Avenue NW  
Twin Atria Building  
Edmonton, AB T6B 2X3  
Telephone: 780-427-5296  
[www.alberta.ca](http://www.alberta.ca)

**DEMAND FOR PAYMENT**

December 3, 2020

Mr. Dan Robinson  
[Dan.robinson@nbfc.com](mailto:Dan.robinson@nbfc.com)  
Northbridge General Insurance Corporation  
Suite 700, 105 Adelaide Street West  
Toronto, ON M5H 1P9

Dear Mr. Robinson:

**RE: Performance Bond No. BND0015360 dated December 12, 2018**

We hereby claim the sum of \$50,442.17 pursuant to the Northbridge General Insurance Company's Performance Bond No. BND0015360 dated December 12, 2018.

Enclosed is the above referenced Performance Bond.

This claim represents amounts owing to Her Majesty the Queen in right of the Province of Alberta pursuant to Registration No. 15048-03-00 with JMB Crushing Systems Inc. (formerly JMB Crushing Systems ULC) dated March 15, 2012.

Please make cheque payable to "Government of Alberta" and forward to:

Valerie Collins  
Application & Security Coordinator  
Alberta Environment and Parks  
Regulatory Approvals Centre  
5<sup>th</sup> FL 9915 108 Street  
EDMONTON AB T5K 2G8

Yours truly,



Muhammad Aziz  
Approvals Manager  
Capital Area – RAD North  
(Designated Director under the Act)

cc: Stephen Abioye, AEP;  
Tyler Pell, [tylerpell@jmbcrush.com](mailto:tylerpell@jmbcrush.com);  
Valerie Collins, AEP





Regulatory Assurance Division  
 Capital District – North Region  
 111, 4999 98 Avenue NW  
 Twin Atria Building  
 Edmonton, AB T6B 2X3  
 Telephone: 780-427-5296  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

November 18, 2020

File No's: JMB Registered Pits

Mr. Tyler Pell  
[tylerpell@jmbcrush.com](mailto:tylerpell@jmbcrush.com)  
 Aggregate Resource Manager  
 JMB Crushing Systems Inc  
 PO Box 6977  
 Bonnyville AB T9N 2H4

Dear Mr. Pell:

**Re: JMB Crushing System Inc. Registered Pits – Advice Letter**

With respect to your request to transfer certain *Environmental Protection and Enhancement Act* (EPEA) registrations from JMB Crushing Systems Inc. (JMB) to Mantle Materials Group Ltd (Mantle). Alberta Environment and Parks (AEP) has identified the following items that need to be resolved before AEP will consider your request to transfer these registrations:

1. Expired or Expiring Security Deposits

The following pits are currently registered to JMB Crushing Systems Inc., with their respective securities held:

- a. **15048-03-00 - Buksa Pit NE 24-056-07-W4M - \$50,442.14 expiring Dec. 12/20 – request to be transferred;**
- b. 17394-00-00 – E 35-056-06-W4M – cash \$7,800.00;
- c. **17395-01-00 – Havener Pit NW 16-056-07-W4M - \$41,872.00 expired Mar. 9/20 – request to be transferred;**
- d. 149949-00-00 – Megley Pit SE 35-058-16-W4M - \$74,683.81 **expired Mar. 9/20;**
- e. 263318-00-00 - O'Kane Pit NE 10-057-06-W4M - \$39,805.00 **expired Mar. 9/20;**
- f. 293051-00-00 – MacDonald Pit SE 34-056-07-W4M - \$16,695.00 **expired Mar. 9/20**
- g. 306490-00-00 – Kucy Pit NW 17, NE 18 & SE 19-063-09-W4M - \$31,872.25 **expired Mar. 9/20;** and
- h. **308161-00-00 – Shankowski Pit SW 21-056-07-W4M – \$180,120.57 expired Nov. 13/20 – request to be transferred.**

The security posted for each of the registered pits listed above is either expired or expiring this month or in December.

The expired security puts JMB in contravention of section 3.2.2 – 3.3.2 of the *Code of Practice for Pits* (Code) and s.84 of the *Environmental Protection and Enhancement Act* (EPEA). AEP requires that **every pit is in good standing prior to transfer**, which includes having a security deposit in form and amount acceptable to AEP.

Also, pursuant to section 5.4 and 5.5 of the Guide to the Code of Practice for Pits (Guide), a new registration holder is required to provide security prior to a transfer becoming effective. The security will be calculated based on full cost of reclamation and must be in AEP's acceptable form. Also, all pits that are currently in contravention of the Code due to either pit's boundary exceedance or trespasses would require these contraventions to be resolved prior to AEP making a decision about the transfer.

2. JMB's Plan for Registered Pits not part of the request to transfer

With only the 3 (in bold writings above) out of these 7 registered pits proposed for the transfer, what is JMB's plan and timing as it relates to operation or reclamation of the remaining 4 registered pits?

3. Landowner Consent Required

Moreover, as a requirement for pit operators on private lands, a written landowner permission is needed pursuant to section 3.2.1 of the Code. Please, provide the documents confirming the new permission for Mantle to operate from the landowner for each of the registered pit proposed to be transferred.

Please note that AEP has received court documents that indicate that Jerry Shankowski, the private landowner associated with pit registration 308161-00-00, objects to the transfer of this registration to Mantle.

Please, report all contravention of the EPEA or *Water Act* to the provincial Environmental Hotline at 1-800-222-6514.

AEP expects a response no later than **4:30 p.m. on December 2, 2020**. If you have any questions or concerns, please contact Stephen Abioye at 780-427-6451 or at [stephen.abioye@gov.ab.ca](mailto:stephen.abioye@gov.ab.ca).

Sincerely,



Muhammad Aziz  
Designated Director under the Act

cc: Valerie Collins, Regulatory Approval Center (RAC)  
Colette Strap, AEP  
Jon Eeuwes, AEP  
Nathan Polturak, AEP  
Stephen Abioye, AEP



Operations  
 Regulatory Approvals Centre  
 5<sup>th</sup> Floor, South Petroleum Plaza  
 9915 – 108 Street  
 Edmonton, Alberta T5K 2G8  
 Canada  
 Telephone: (780) 427-6311  
 Fax: (780) 422-0154  
[www.aep.alberta.ca](http://www.aep.alberta.ca)

December 3, 2019

Jeff Buck  
 JMB Crushing Systems ULC  
 BOX 6977  
 BONNYVILLE AB T9N 2H4

Dear Mr. Buck:

**RE: Security Deposit  
 Code of Practice for Pits  
 MACDONALD PIT SE 34-056-07-W4M  
 Application No. 002-293051**

We have completed our review of your estimate of reclamation costs for the purpose of determining the security deposit requirement. Your estimate in the amount of \$60,905.51 is acceptable and you should submit this amount by January 01, 2020. For your convenience, I am enclosing a summary of the options available for security deposit.

As we are currently holding Performance Bond No. BND0015363 in the amount of \$16,695.00 as security, an Amendment to this Performance Bond increasing the amount by \$60,905.51 can be submitted. Also, please change the beneficiary's name to read as follows:

Her Majesty the Queen in Right of Alberta  
 as represented by the Minister of Environment and Parks  
 Attn: Director, \_\_Red Deer-North Saskatchewan\_\_ Region  
 5<sup>th</sup> Floor, 9915 108 Street  
 Edmonton, Alberta T5K 2G8

However, if you prefer to submit a new Performance Bond for the total amount of \$77,600.51, we will then return the other Performance Bond for cancellation.

We will complete our review of your application, however, we will not be able to recommend that a Registration be issued until receipt of security.

If you have any questions, please call me at (780) 427-9541.

Yours truly,

For: Valerie Collins  
 Application & Security Coordinator

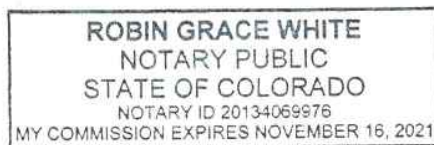
Encl.

cc: Stephen Abioye, Red Deer-North Saskatchewan Region - Edmonton

THIS IS EXHIBIT "F" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado





Environment  
and Parks

Regulatory Assurance  
North Region - Capital  
PO Box 4240 (T7X 3B4)  
Suite #1, 250 Diamond Avenue  
Spruce Grove AB T7X 4C7  
Telephone: 780-960-8600

## ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-03

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 306490-00-00 located on NW 17, NE 18 and SE-19-063-09-W4M (Kucy Pit) in the MD of Bonnyville No.87 (the "Kucy Pit");

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS Robert Niedzielski, Travis Kwiatkowski, John Kwiatkowski, Leo Kwiatkowski, Ron Kucy, and Rita Kucy own the land on which the Kucy Pit is located;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

- 2 -

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020, Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Kucy Pit security Bond No. BND0015364 in the amount of \$31,872.25 is expiring March 9, 2020.

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating it failed to replace financial security instruments on 7 pits that were registered to JMB and located on private land, including the Kucy Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Kucy Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation noted as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Kucy Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Kucy Pit;

- 3 -

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Kucy Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- Submit a Water Act application in 2021 based on consultation with AEP
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 23, 2021, the EPO had a conversation with the landowner, Ron Kucy, who indicated that:

- JMB last operated the Kucy Pit on or about summer 2018
- JMB does not plan to mine additional gravel at Kucy Pit and Ron Kucy is concerned the land will not be reclaimed

WHEREAS on March 2, 2021, the EPO had a conversation with the landowner, John Kwaitkowski, who indicated that:

- JMB last operated the Kucy Pit on or about summer 2018
- JMB signed a royalty contract with John Kwaitkowski in 2012 and shortly after it hauled gravel off site without payment to the landowner;
- JMB does not plan to mine any additional gravel at Kucy Pit and John Kwaitkowski is concerned the land will not be reclaimed;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Kucy Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the Kucy Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

- 4 -

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO, April Franks, North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Kucy Pit and directing the performance of work is necessary in order to conserve and reclaim the Kucy Pit;

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the Kucy Pit, and shall not remove any stockpiled materials.
2. By April 13, 2021 the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By May 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.



- 5 -

- c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Kucy Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have October 29, 2022 as the completion date.
  - i. A 6 month monitoring and maintenance program commencing October 29, 2022.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at Kucy Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Thursday on the 11<sup>th</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

- 6 -

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



Environment  
and Parks

Regulatory Assurance  
Capital Region  
PO Box 4240 (T7X 3B4)  
Suite #1, 250 Diamond Avenue  
Spruce Grove AB T7X 4C7  
Telephone: 780-960-8600

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-02

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 149949-00-00 located at SE-35-058-16-W4M and SW 36-058-16-W4M (Megley Pit) in Lamont County (the "Megley Pit");

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS Sharon Cook, Cheryl Megley, Douglas Megley, Bill Kryzanoski own the land on which the Megley Pit is located;

- 2 -

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Megley Pit security Bond No. BND0015359 expires March 9, 2020.

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating it failed to replace security instruments on 7 pits that were registered to JMB and located on private land, including the Megley Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Megley Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Megley Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Megley Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- 3 -

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Megley Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- Submit a Water Act application in 2021 based on consultation with AEP
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 18, 2020 EPO had a conversation with the landowner, Douglas Megley, who indicated that:

- JMB last operated the pit on or about winter 2019, at which time they crushed and hauled gravel offsite without payment to the landowner;
- JMB breached its contract held between with Douglas Megley which required payment of royalties to Douglas Megley and completion of reclamation at the pit;
- Douglas Megley is concerned that reclamation will not be completed on Megley Pit

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Megley Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the Megley Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule

- 4 -

must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Megley Pit and directing the performance of work is necessary in order to conserve and reclaim the Megley Pit;

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the Megley Pit, and shall not remove any stockpiled materials.
2. By April 13, 2021, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By May 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Megley pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.

- 5 -

- g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
- h. A proposed Schedule of Implementation that shall have October 29, 2022 as the completion date.
- i. A 6 month monitoring and maintenance program commencing October 29, 2022.

5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.

6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at Megley Pit;

7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Thursday on the 11<sup>th</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

- 6 -

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



Environment  
and Parks

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Suite #1, 250 Diamond Avenue  
Spruce Grove AB T7X 4C7  
Telephone: 780-960-8600

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-04

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 17395-01-00 located at NW 16-056-07-W4M (Havener Pit) in the County of St. Paul No. 19 (the "Havener Pit");

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS Lynne Havener and Gail Havener own the land on which Havener Pit is located'

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

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WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that Havener Pit security Bond No. BND0015361 in the amount of \$41,872.00 is expiring March 9, 2020.

WHEREAS on May 1, 2020 JMB indicated to AEP that they were entering The Companies Creditors Arrangement Act proceedings;

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating they failed to replace financial security instruments on 7 pits that were registered to JMB and located on private land, including the Havener Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Havener Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report non-compliance issues to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on Havener Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

- 3 -

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Havener Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Havener Pit were as follows:

- to submit an updated Activities Plan by May 31, 2021;
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan; and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 22, 2021 the EPO had a conversation with the landowner, Lynn Havener, who indicated that:

- JMB last operated the Havener Pit on or about summer 2018; and
- JMB breached a contract with Lynn Havener regarding Havener Pit in 2017 and 2018 and still owe payment of royalties to her;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Havener Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the Havener Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and

- 4 -

requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS April Franks, EPO North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Havener Pit and directing the performance of work is necessary in order to conserve and reclaim the Havener Pit;

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the Havener Pit, and shall not remove any stockpiled materials.
2. By April 13, 2021, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By May 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Havener pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.

- 5 -

- f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have October 29, 2022 as the completion date.
  - i. A 6 month monitoring and maintenance program commencing October 29, 2022.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at Havener Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Thursday on the 11<sup>th</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

- 6 -

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



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Telephone: 780-960-8600

## ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-05

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 15048-00-00 located at NE 24-056-07-W4M (Buksa Pit) in the County of St. Paul No. 19;

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS 302016 Alberta Ltd. owns the land on which Buksa Pit is location;

WHEREAS Harvey Buksa is a Director of 302016 Alberta Ltd.;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

- 2 -

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on October 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that the Buska Pit security Bond No. BND0015360 in the amount of \$50,442.14 expires December 12, 2020.

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating they failed to replace financial security instruments on 7 pits that were registered to JMB and are located on private land, including the Buksa Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and a designated Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the Buksa Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* on pits registered to JMB located on private land, including the Buksa Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:



- 3 -

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the Buska Pit were as follows:

- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and

WHEREAS on February 23, 2021, the EPO had a conversation with the landowner, Harvey Buksa, who indicated that:

- JMB last operated Buksa Pit on or about summer 2018; and
- JMB has not communicated its intentions to reclaim or operate Buksa Pit;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the Buksa Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the Buksa Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, North Region (the "Inspector") has been designated as an

- 4 -

Inspector for the purposes of issuing environmental protection orders under section 140 of the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Buksa Pit and directing the performance of work is necessary in order to conserve and reclaim the Buksa Pit;

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the Buksa Pit, and shall not remove any stockpiled materials.
2. By April 13, 2021, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By May 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Buksa Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have October 29, 2022 as the completion date.

- 5 -

- i. A 6 month monitoring and maintenance program commencing October 29, 2022.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
  6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at Buksa Pit;
  7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Thursday on 11<sup>th</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

- 6 -

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

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Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



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## ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-06

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 263318-00-00 located at NE-10-057-06-W4M (O'Kane Pit) in the County of St. Paul No. 19 ("O'Kane Pit");

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS Aarbo Ranching Ltd. own the land on which the O'Kane Pit is located;

WHEREAS Harvey Aarbo is the director of Aarbo Ranching Ltd;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states any person who carries out an activity at a pit must do so in accordance with this Code of Practice;

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WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

WHEREAS on January 20, 2020 Alberta Environment and Parks ("AEP") sent an email to JMB stating that the O'Kane Pit security Bond No. BND0015362 in the amount of \$39,805.00 is expiring March 9, 2020.

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating they failed to replace financial security instruments on 7 pits that were registered to JMB and located on private land, including the O'Kane Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the O'Kane Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required financial security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report regulatory non-compliances to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on O'Kane Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB stating that AEP had identified non-compliances under the *Code of Practice for Pits* for pits registered to JMB located on private land, including the O'Kane Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

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- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extensions to the deadline to provide the information requested in the NONC, which AEP granted;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the O'Kane Pit were as follows:

- to submit an updated Activities Plan by April 30, 2021 for the purpose of reclamation,
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 22, 2020 EPO has a conversation with the landowner, Harvey Aarbo, who indicated that;

- JMB last operated the O'Kane Pit on or about summer 2018, at which time they operated without payment of royalties to the landowner;
- Aarbo Ranching Ltd. purchased the property in 2018 and has not had contact with JMB, Harvey Aarbo assumed he was responsible for the reclamation;
- Harvey Aarbo was relying on the security instrument from AEP to offset some reclamation costs and is concerned that JMB has not replaced security;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS JMB is an 'operator' under section 134(b)(ii) of the *Environmental Protection and Enhancement Act*;

WHEREAS the O'Kane Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the O'Kane Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must

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comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS EPO April Franks, North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the O'Kane Pit and directing the performance of work is necessary in order to conserve and reclaim the O'Kane Pit;

WHEREAS the Inspector is of the opinion that the surface land disturbance meets the criteria of "specified lands" defined by the *Conservation and Reclamation Regulation* section 1(t)(v)

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the O'Kane Pit, and shall not remove any stockpiled materials.
2. By April 13, 2021, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By May 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the O'Kane Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil



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replacement and re-vegetation.

- g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have October 29, 2022 as the completion date.
  - i. A 6 month monitoring and maintenance program commencing October 29, 2022.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at O'Kane Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Thursday on the 11<sup>th</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

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Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



Regulatory Assurance  
Capital Region  
PO Box 4240 (T7X 3B4)  
250 Diamond Avenue  
Spruce Grove AB T7X 4C7  
Telephone: 780-960-8600

## ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-01

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
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Byron Levkulich, Director  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
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United States

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Collectively referred to as the "Parties"

WHEREAS JMB Crushing Systems Inc. ("JMB") operates a pit under Registration No. 293051-00-00 located on SE-34-056-07-W4M in the County of St. Paul No.19 (the "MacDonald Pit");

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS Allan MacDonald owns the land on which the MacDonald Pit is located;

WHEREAS section 2.1.1 of the *Code of Practice for Pits* states "any person who carries out an activity at a pit must do so in accordance with this Code of Practice";

WHEREAS an "activity at a pit" is defined in the *Code of Practice for Pits* to mean the construction, operation or reclamation of a pit;

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WHEREAS on January 20, 2020, Alberta Environment and Parks ("AEP") sent an email to JMB stating that the MacDonald Pit security Bond No. BND0015363, in the amount of \$16,695.00, was expiring on March 9, 2020 and AEP had previously on December 3, 2019 requested JMB to provide additional security in the amount of \$60,905.51 for a new total of \$77,600.51;

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act* ("CCAA"), R.S.C. 1985, c. C-36, as amended;

WHEREAS on May 22, 2020, JMB withdrew its application submitted to AEP on April 25, 2018 to update the Activities Plan for the MacDonald Pit;

WHEREAS on November 18, 2020, AEP sent a letter to JMB indicating they failed to replace security instruments on 7 pits that were registered to JMB and located on private land, including the MacDonald Pit;

WHEREAS on January 26, 2021, April Franks, an Environmental Protection Officer ("EPO") and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the MacDonald Pit Activities Plan and 2019 satellite imagery of the area and determined that JMB contravened the *Code of Practice for Pits* by:

- failing to restore the required security as required under section 3.2.2 of the *Code of Practice for Pits*;
- failing to follow the Activities Plan mining sequence including not conducting reclamation noted as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to comply to the boundary approved in the Registration as required under section 4.1.1 of the *Code of Practice for Pits*;
- failing to report non-compliance issues to the Director as required under section 6.1.1 of the *Code of Practice for Pits*;

WHEREAS reclamation of the disturbed land on MacDonald Pit has not occurred to date;

WHEREAS section 3.2.2 of the *Code of Practice for Pits* states "unless exempted by the Act or the *Conservation and Reclamation Regulation*, as amended from time to time, no person shall commence or continue an activity at a pit unless the full amount of security for that pit has been provided to the Director, as authorized in writing by the Director."

WHEREAS section 4.1.1 of the *Code of Practice for Pits* states "no person shall conduct any activity at a pit except in accordance with the most recent Activities Plan.";

WHEREAS section 6.1.1 of the *Code of Practice for Pits* states "in addition to any other reporting required pursuant to this Code of Practice, the Act or the regulations under the Act, any person carrying out an activity at a pit shall immediately report any contravention of this Code of Practice to: (a) the registration holder; and (b) the Director: (i) by telephone at (780) 422-4505, or (ii) by a method:(A) in compliance with the release reporting provisions of the Act and the regulations; or(B) authorized in writing by the Director.";

WHEREAS on February 12, 2021, AEP issued a Notice of Non Compliance ("NONC") to JMB

- 3 -

stating that AEP had identified issues of non-compliance under the *Code of Practice for Pits* for pits registered to JMB located on private land, including the MacDonald Pit;

WHEREAS the NONC also stated that, by February 18, 2021, JMB was to provide:

- an assessment of the pits against the terms and conditions of the Registration and the *Code of Practice for Pits*, and
- a plan to bring each pit into compliance with the Registration and the *Code of Practice for Pits*;

WHEREAS JMB requested two extension requests that AEP granted to provide the information requested in the NONC;

WHEREAS on February 24, 2021, JMB provided AEP with its response to the NONC, which stated that JMB's intentions with respect to the MacDonald Pit were as follows:

- to submit an updated Activities Plan by March 31, 2021 for the purpose of reclamation,
- to post a security bond as a part of the closing of the CCAA court proceedings upon acceptance of the updated activities plan, and
- implement reclamation within three years of the updated activities plan approval;

WHEREAS on February 24, 2021, the EPO had a conversation with the landowner, Allan MacDonald, who indicated that:

- JMB last operated the MacDonald Pit on or about summer 2019, at which time they hauled approximately 10,000 tonnes of gravel off site without payment to the landowner, and
- JMB breached a number of agreements with Allan MacDonald including payment of royalties and completion of reclamation by December 31, 2020;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS the MacDonald Pit is a "pit" as defined in the *Activities Designation Regulation* section 3(3)(d), for the purposes of Division 3 of Schedule 2;

WHEREAS the surface land disturbance in the MacDonald Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are operators as defined in section 134(b)(i) of *EPEA*, i.e. an approval or registration holder who carries on or has carried on an activity on or in respect of specified land pursuant to an approval or registration, and section 34(b) vii), i.e. a person who acts as principal or agent of a person referred to in any of subclauses (i) to (vi);

WHEREAS section 3.1 of the *Conservation and Reclamation Regulation* states that the *Code of Practice for Pits*, as published by AEP, is adopted and forms part of that regulation and requires that a person carrying on an activity referred to in Column A of the Schedule must

- 4 -

comply with the corresponding Code of Practice in Column B of the Schedule in carrying on that activity;

WHEREAS the Schedule of the *Conservation and Reclamation Regulation* states that the construction, operation or reclamation of a pit that is listed in Schedule 2, Division 3 of the *Activities Designation Regulation* must comply with the *Code of Practice for Pits*;

WHEREAS April Franks, EPO North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that the suspension of the operation in the MacDonald Pit and directing the performance of work is necessary in order to conserve and reclaim the MacDonald Pit;

THEREFORE, I April Franks, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. The Parties shall immediately suspend any and all work at the MacDonald Pit, and shall not remove any stockpiled materials.

2. By March 13, 2021, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.

3. By March 20, 2021, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").

4. The Parties shall include at minimum include all of the following in the Plan:

- a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
- b. A historical synopsis of the surface, subsurface and groundwater disturbance.
- c. A description of the adjacent land uses.
- d. An accounting of what volume of marketable aggregate is left within the MacDonald pit and its value.
- e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
- f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
- g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.

- 5 -

- h. A proposed Schedule of Implementation that shall have September 20, 2022 as the completion date.
  - i. A 6 month monitoring and maintenance program commencing September 20, 2022.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022 that include a detailed summary of all reclamation activities undertaken at MacDonald Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the City of Spruce Grove in the Province of Alberta, this Tuesday on the 2<sup>nd</sup> day of March, 2021.



April Franks,  
Inspector,  
Environmental Protection Officer,  
North Region

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Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at #306 Peace Hills Trust Tower, 10011 - 109 Street, Edmonton, Alberta, T5J 3S8; telephone (780) 427-6207; fax (780) 427-4693.

Notwithstanding the above requirements, the Party shall obtain all necessary approvals in complying with this order.

Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.



#### **Part 4**

### **Environmental Appeals Board**

#### **Environmental Appeals Board established**

**90(1)** There is hereby established the Environmental Appeals Board consisting of persons appointed by the Lieutenant Governor in Council.

(2) The Board shall hear appeals as provided for in this Act or any other enactment.

(3) The Board may convene a panel of Board members to conduct a hearing of an appeal and appoint a person to chair the panel.

(4) Where a panel is convened, the panel has all the powers of the Board and is subject to all the same duties the Board is subject to, and a reference in this Act to the Board is to be read as a reference to the panel.

RSA 2000 cE-12 s90;2003 c42 s6

#### **Notice of appeal**

**91(1)** A notice of appeal may be submitted to the Board by the following persons in the following circumstances:

- (a) where the Director issues an approval, makes an amendment, addition or deletion pursuant to an application under section 70(1)(a) or makes an amendment, addition or deletion pursuant to section 70(3)(a), a notice of appeal may be submitted

- (i) by the approval holder or by any person who previously submitted a statement of concern in accordance with section 73 and is directly affected by the Director's decision, in a case where notice of the application or proposed changes was provided under section 72(1) or (2), or
  - (ii) by the approval holder or by any person who is directly affected by the Director's decision, in a case where no notice of the application or proposed changes was provided by reason of the operation of section 72(3);
- (b) where the Director refuses
- (i) to issue an approval, or
  - (ii) to make an amendment, addition or deletion in respect of an approval pursuant to an application under section 70(1)(a),
- the applicant may submit a notice of appeal;
- (c) where the Director cancels or suspends an approval under section 70(3)(b) or (4), the approval holder may submit a notice of appeal;
- (d) where the Director cancels a certificate of qualification under section 83(1)(b), the holder of the certificate of qualification may submit a notice of appeal;
- (e) where the Director issues an enforcement order under section 210(1)(a), (b) or (c), the person to whom the order is directed may submit a notice of appeal;
- (f) where an inspector issues an environmental protection order regarding conservation and reclamation under section 140 or 141, the person to whom the order is directed may submit a notice of appeal;
- (g) where the Director issues an environmental protection order under section 129,
- (i) the person to whom the order is directed, and
  - (ii) any person who is directly affected by the designation of the contaminated site
- may submit a notice of appeal;
- (h) where the Director issues an environmental protection order, except an environmental protection order directing

- the performance of emergency measures under section 114, 151 or 160 and an environmental protection order referred to in clause (g), the person to whom the order is directed may submit a notice of appeal;
- (i) where an inspector issues a reclamation certificate under section 138, or the Director or an inspector amends a reclamation certificate under section 139, the operator and any person who receives a copy of the certificate or amendment under section 145 may submit a notice of appeal;
  - (j) where the Director or an inspector cancels a reclamation certificate, the operator may submit a notice of appeal;
  - (k) where the Director or an inspector refuses to accept an application for a reclamation certificate or an inspector refuses to issue a reclamation certificate, the operator may submit a notice of appeal;
  - (l) where the Director or an inspector issues, amends or cancels a remediation certificate under section 117, any person who receives notice of the issuance, amendment or cancellation as provided for in the regulations may submit a notice of appeal;
  - (l.1) where the Director or an inspector refuses to accept an application for a remediation certificate or refuses to issue a remediation certificate under section 117, any person who receives notice of the refusal as provided for in the regulations may submit a notice of appeal;
  - (m) where the Director designates an area as a contaminated site under section 125, any person who is directly affected by the designation may submit a notice of appeal;
  - (n) where the Director requires a person to pay an administrative penalty under section 237, the person to whom the notice is directed may submit a notice of appeal;
  - (o) where the Director refuses a request for confidentiality under section 35(5)(b), the person to whom the notice is directed under section 35(6) may submit a notice of appeal;
  - (p) persons authorized under Part 9 of the *Water Act*, in accordance with Part 9 of the *Water Act*.
- (2) Notwithstanding subsection (1)(b), where the Director refuses to issue an approval pursuant to an order of the Minister under

section 64, no notice of appeal may be submitted in respect of that refusal.

(3) Where an activity prescribed in the regulations for the purposes of this subsection is the subject of an approval and is carried out in stages, and where the Director issues an approval in respect of a stage, no notice of appeal may be submitted in respect of a stage that is already covered by the approval.

(4) A notice of appeal must be submitted to the Board

- (a) not later than 7 days after receipt of a copy of the enforcement order or the environmental protection order, in a case referred to in subsection (1)(e), (f) or (h),
- (b) not later than one year after receipt of a copy of the reclamation certificate, in a case referred to in subsection (1)(i) relating to the issuing of a reclamation certificate, and
- (c) not later than 30 days after receipt of notice of the decision appealed from or the last provision of notice of the decision appealed from, as the case may be, in any other case.

(5) The Board may, on application made before or after the expiry of the appeal period referred to in subsection (4), extend that period, where the Board is of the opinion that there are sufficient grounds for doing so.

(6) A notice of appeal submitted to the Board under this Act or in accordance with the *Water Act* must contain the information and be made in the manner provided for in the regulations.

(7) A notice of appeal initiates an appeal of the decision objected to.

RSA 2000 cE-12 s91;2002 c4 s1;2003 c37 s14;  
2003 c42 s6;2006 c15 s10

#### Additional Information

**92** Where the Board receives a notice of appeal, it may by written notice given to the person who submitted the notice of appeal require the submission of additional information specified in the written notice by the time specified in the written notice.

1992 cE-13.3 s85;1998 c15 s9

**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING RSA 2000, c. E-12 (the "Act")

ENVIRONMENTAL PROTECTION ORDER EPO-EPEA-35659-07

2161889 Alberta Ltd.  
P.O. Box 6977  
Bonnyville, AB  
T9N 2H4

Byron Levkulich, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
1400 16<sup>th</sup> Street, Suite 320  
Denver CO 80202  
United States

Aaron Patsch, former Director of 2161889 Alberta Ltd.  
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Jeffrey Buck, former Director of 2161889 Alberta Ltd.  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

Lisa Ball, former Director of 2161889 Alberta Ltd.  
2161889 Alberta Ltd.  
PO Box 211  
Boyle, AB  
T0A 0M0

541466 Alberta Ltd.  
2300, 10180 – 101 St NW  
Edmonton, AB  
T5J 1V3

Robert W. Beaverford  
52547 RR 223  
Sherwood Park, AB  
T8A 4P7

[Collectively, the "Parties"]

WHEREAS 2161889 Alberta Ltd. ("216") has operated a gravel pit (the "Pit") in 2019 and 2020 on a portion of public land legally described as SW-13-065-18-W4M [the "Lands"] in Athabasca County, in the Province of Alberta;

WHEREAS the Pit covers approximately 11.271 hectares on the Lands and the approximate boundaries of the Pit are shown on the map in Appendix A to this Order;

WHEREAS the *Environmental Protection and Enhancement Act* ("EPEA") section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 060060 ("SML 060060") that is a disposition issued to 216 under the *Public Lands Act* as a result of an assignment on March 15, 2019. SML 060060 expires on May 28, 2024;

WHEREAS Byron Levkulich, Aaron Patsch, Jeffrey Buck, and Lisa Ball are former Directors for 216;

WHEREAS Robert W. Beaverford held SML 060060 between June 27, 2008 and March 15, 2019;

WHEREAS 541466 Alberta Ltd. ("541") operated the Pit between May 2017 and March 15, 2019;

WHEREAS Lisa Ball has been a Director for 541 from November 1999 to March 10, 2021 (present);

WHEREAS Clause 6 of Schedule A to SML 060060 – "Operating Conditions to the Agreement" requires the holder to reclaim any land disturbed in accordance with the approved Conservation and Reclamation Business Plan (CRBP). CRBP dated: May 28, 2014;

WHEREAS on May 28, 2014, Alberta Environment and Parks ("AEP") approved the Conservation and Reclamation Business Plan Approval for SML060060 ("CRBP");

WHEREAS on May 10, 2017 an Alberta Environment and Parks ("AEP") Public Lands Officer ["PLO"] inspected the Lands and observed the Lands had been recently logged but not yet been disturbed by mining activities;

WHEREAS on January 22, 2019 Robert Beaverford filed an annual return documenting the removal of 174,965.19 cubic yards of material from SML 060060 during the 2018 operating year;

WHEREAS on March 26, 2019 the Director issued an administrative penalty to 541466 Alberta Ltd. and Robert Beaverford for:

- Entering public land without authorization;
- Cleared public land without authority;
- Causing loss and damage with rutting and vegetation removal by heavy equipment;

- Contravened the terms of the lease by operating during a timing restriction; and
- Caused loss and damage to public land with root removal and vegetation piling and the removal of topsoil, which are all contraventions of the *Public Lands Act* or the SML

WHEREAS on May 1, 2020, 216 entered into proceedings under the *Companies Creditors Arrangement Act* R.S.C., 1985, c. C-36;

WHEREAS Clause 13 of Schedule A to SML 060060 – “Operating Conditions to the Agreement” requires the holder to leave a buffer zone of undisturbed vegetation a minimum width of 100 m between the Lands and all waterbodies and courses;

WHEREAS on October 7, 2020 the AEP PLO inspected the Lands and observed:

- Pit operations had not followed pit development sequencing as required by the CRBP;
- Drainage patterns in the south of the Pit do not match details shown in the CRBP;
- The 3 m vegetation buffer was not in place around the perimeter of the Pit (refer to Appendix A);
- Erosion washing to the adjacent vegetation resulting in trespass of public land (“trespass” on map in Appendix A);
- Rills and gullies formed along southern boundary of the Lands (refer to Appendix A);
- Noxious weeds were present throughout the south of the Pit;
- An end pit lake had formed in the Pit (refer to Appendix A);
- Subsoil and aggregate stockpiles were located on the edges of the end pit lake;
- Stockpiles of topsoil interspersed with stockpiles of non-processed aggregate and subsoil in the Pit; and
- A watercourse that was not identified on the CRBP (refer to “draw” in Appendix A);

WHEREAS Clause 28 of SML 060060 requires the holder to strip and pile topsoil separately from any woody material and subsoil;

WHEREAS Clause 33 of SML 060060 requires the holder to take all precautions and safeguards necessary to prevent soil and surface erosion to the satisfaction of the Department in its sole discretion;

WHEREAS on January 31, 2020 216 filed an annual return documenting the removal of 3,384.41 cubic yards of material from SML 060060 during the 2019 operating year;

WHEREAS on February 10, 2021, 216 filed an annual return documenting the removal of 2,254 cubic yards of (material) from SML 060060 during the 2020 operating year;

WHEREAS on February 10, 2021 an AEP Environmental Protection Officer [“EPO”] identified that the CRBP committed the operator to dry excavation only in the pit sequencing notes;

WHEREAS on February 17, 2021, Nathan Polturak, an Environmental Protection Officer ("EPO") and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the "Inspector"), conducted a review of the terms and conditions of SML 060060 and 2019 satellite imagery of the area and determined that 216 contravened the *Public Lands Act* and *Public Lands Administration Regulation* by:

- caused, permitted, or allowed loss or damage to public land;
- caused, permitted, or allowed the creation of conditions likely to result in soil erosion on public land; and
- contravened one or more provisions of the disposition.
- failed to pay fees owing to AEP;
- failed to adhere to disturbance standards;
- allowed or caused loss or damage on the subject land; and
- failed to report these non-compliance issues to the Director.

WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance ("NONC") to 216 stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 060060.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which stated that since March 2019, 216 has completed minor earthworks and hauling of crushed gravel. It also stated that 216's intentions with respect to the Pit were as follows;

- to engage the services of a legal land surveyor to survey the southern boundary in question. Forward results of the surveyor to AEP for further consultation and possible action;
- to work with AEP to determine final *Water Act* authorization requirements for filling in the constructed water body;
- to update CRBP as needed; and
- to submit non-compliance for construction of water body without authorization.

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS the surface land disturbance in the Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of *EPEA* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing environmental protection orders under section 140 the *Environmental Protection and Enhancement Act*; , and

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Pit and directing the performance of work is necessary in order to conserve and reclaim specified land.

THEREFORE, I Nathan Polturak, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:



1. The Parties shall immediately suspend any and all work at the Pit, and shall not remove any stockpiled materials.
2. By **March 19, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **March 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;

7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, the 12<sup>th</sup> day of March, 2021.



Nathan Polturak  
Inspector,  
Environmental Protection Officer  
North Region

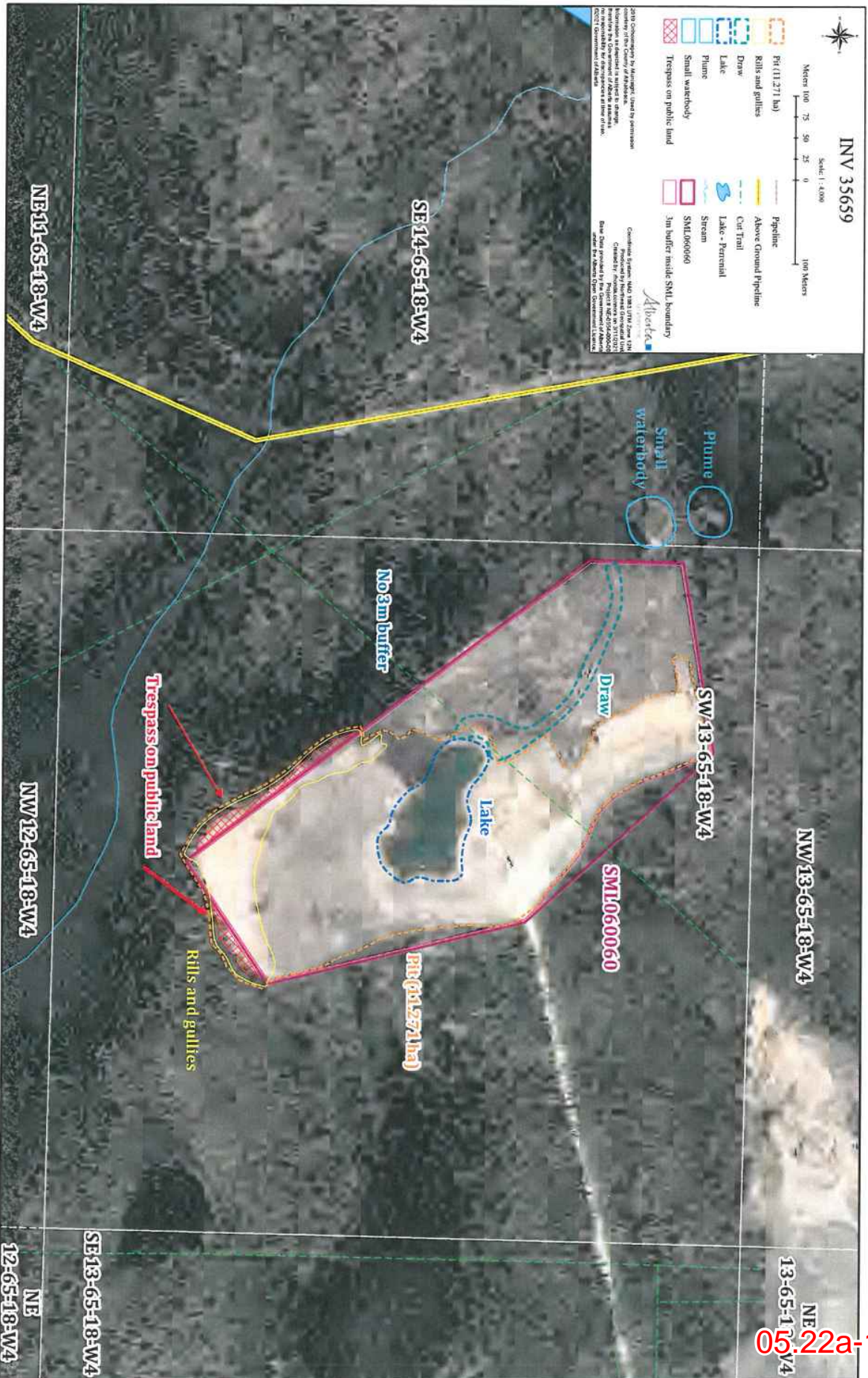
**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of section 91 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations from any regulatory agency (federal, provincial, or municipal) in complying with this order.**

**Take notice that this environmental protection order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation. Failure to comply with this order may result in further enforcement proceedings.**

## APPENDIX A



**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-10**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

(Collectively, the "Parties")

WHEREAS JMB Crushing Systems Inc. ("JMB") has operated a gravel pit (the "Pit") on a portion of public land legally described as SW-30-063-08-W4M (the "Lands") in the Municipal District of Bonnyville, in the Province of Alberta;

WHEREAS Byron Levkulich and Aaron Patsch are Directors of JMB and Jeffrey Buck is a former Director of JMB ("Parties");

WHEREAS the Pit is approximately 0.347 Hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS a "pit" is defined in the *Environmental Protection and Enhancement Act* ("EPEA") to mean an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 120027 (“SML 027”) that is a disposition issued to JMB under the *Public Lands Act* on January 13, 2020. SML 027 expires on January 12, 2030;

WHEREAS the Lands were held by JMB under SMC 110019 from May 26, 2011 to June 26, 2015;

WHEREAS on June 11, 2012 JMB was issued TFA 123579, authorizing early entry to SML 120027;

WHEREAS TFA 123579 was subject to the following conditions:

- The holder shall reclaim all disturbed land surfaces within two growing seasons, to occur concurrently with operations;
- Final surface reclamation must meet the requirements for the specific activity in place at time of abandonment;
- Initial efforts at re-establishing a vegetative cover on disturbed surface must be accomplished by planting native tree and shrub species; and
- The holder shall take all precautions and safeguards necessary to prevent soil and surface erosion to the satisfaction of the department in its sole discretion;

WHEREAS on January 31, 2013 JMB filed an annual return documenting the removal of 14,768.57 cubic yards of material from SML 027 during the 2012 operating year;

WHEREAS in 2014, JMB filed an annual return documenting the removal of 3,625 cubic yards of material from SML 027 during the 2013 operating year;

WHEREAS on January 13, 2020 AEP approved the Conservation and Reclamation Business Plan (“CRBP”) for SML 027;

WHEREAS Clause 13 of Schedule A – Operating Conditions to the Agreement requires the Operator to reclaim any land disturbed in accordance with the approved conservation, operation and reclamation plans;

WHEREAS on May 1, 2020, JMB obtained an initial order from the Court under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

WHEREAS on May 11, 2020 Alberta Environment and Parks (“AEP”) Public Lands Officer (“PLO”) completed an inspection on the Lands and identified the following:

- the Lands were dormant and appeared to be in the stages of final reclamation;
- lack of topsoil replacement on a large portion of the pit

WHEREAS on December 4, 2020 JMB indicated they will not be completing any further reclamation works on the Lands;

WHEREAS on February 17, 2021, Nathan Polturak, an Environmental Protection Officer (“EPO”) and Inspector under the *Environmental Protection and Enhancement Act* RSA 2000, c E-12 (the “Inspector”), conducted a review of the terms and conditions of SML 027 and 2019 satellite imagery of the area and determined that JMB contravened the *Public Lands Act* and Public Lands Administration Regulation by allowing erosion and sedimentation on or adjacent to the Lands;

WHEREAS on February 23, 2021, AEP issued a Notice of Non-Compliance ("NONC") to JMB stating that AEP had identified issues of non-compliance of the *Public Lands Act* under SLM 027.

WHEREAS on February 26, 2021, 216 provided AEP with its response to the NONC, which stated that SML 027 is depleted and 99% of reclamation is complete;

WHEREAS section 137 of the *Environmental Protection and Enhancement Act* states that an operator must conserve and reclaim specified land and unless exempted by the regulation, obtain a reclamation certificate in respect of the conservation and reclamation;

WHEREAS the surface land disturbance in the Pit is "specified lands" as defined by the Conservation and Reclamation Regulation section 1(t)(v);

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of EPEA section 134(b)(i) to (vi), and therefore are operators;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the "Inspector") has been designated as an Inspector for the purposes of issuing Environmental Protection Orders under section 140 the *Environmental Protection and Enhancement Act*; and

WHEREAS the Inspector is of the opinion that the suspension of the operation in the Pit and directing the performance of work is necessary in order to conserve and reclaim specified land.

THEREFORE, I Nathan Polturak, Inspector, North Region, pursuant to section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER:

1. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
2. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
3. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A description of the adjacent land uses.
  - c. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - d. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.

- e. A proposed Schedule of Implementation that shall have **June 30, 2022** as the completion date.
- f. A six month monitoring and maintenance program commencing **June 30, 2022**.
4. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
5. The Parties shall submit progress updates to the Inspector on **July 30, 2021, November 30, 2021, March 31, 2022, and July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



Nathan Polturak  
Inspector  
Environmental Protection Officer  
North Region

Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:

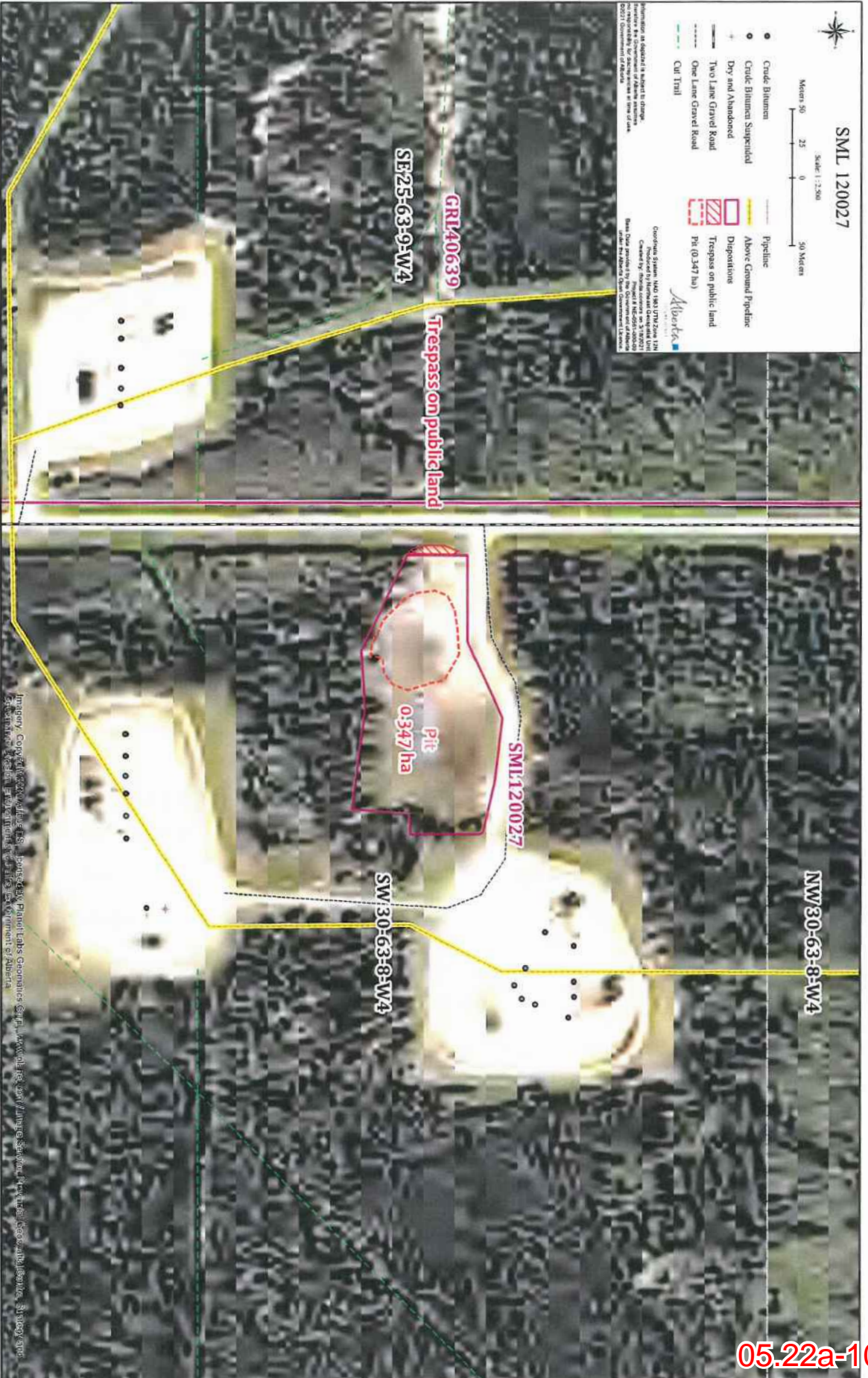
#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.

Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.

Take notice that this enforcement order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.



## APPENDIX A



**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-09**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

[Collectively, the "Parties"]

WHEREAS JMB Crushing Systems Inc. ["JMB"; the "Operator"] has operated a gravel pit [the "Pit"] on a portion of public land legally described as SW-21-063-12-W4M [the "Lands"] in Lac La Biche County, in the Province of Alberta;

WHEREAS the Pit is approximately 5.850 hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS the *Environmental Protection and Enhancement Act* ("EPEA") section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and

gravel and includes any associated infrastructure;

WHEREAS the Lands are contained in surface material lease 980116 ("SML 980116") that is a disposition issued to JMB under the *Public Lands Act* on February 16, 1999;

WHEREAS Byron Levkulich, Aaron Patsch are Directors for JMB and Jeffrey Buck is a former Director of JMB;

WHEREAS the disposition agreement for SML 980116 currently in force dates to February 16, 1999;

WHEREAS on October 25, 1999 Alberta Environment and Parks ("AEP") approved the Conservation and Reclamation Plan ("CORP") for SML 980116;

WHEREAS on May 16, 2008 an Alberta Environment and Parks ("AEP") Public Lands Officer ["PLO"] inspected the Lands. Inspection notes record:

- The client does not need the pit anymore as gravel removal is complete;
- Reclamation is to be done that year;
- The Pit should be renewed for a short time to allow reclamation;
- Department is to send a letter outlining reclamation timeline and to request an increase the security deposit to ensure compliance; and
- Outstanding work includes brush disposal, levelling and back sloping, and vegetation establishment;

WHEREAS on February 15, 2009 SML 980116 expired;

WHEREAS on September 4, 2015 an AEP PLO inspected the Lands. Inspection notes record:

- Renewal not recommended, no indication the gravel pit is still in operation;
- Cattle currently grazing the site;
- Top soil piles are present;
- Invasive plants on site (Canada thistle) in concentrated areas by the top soil piles and along the access; and
- Reclamation remains outstanding;

WHEREAS on September 16, 2015 the PLO sent a letter to JMB requiring them to distribute the remaining topsoil pile be distributed evenly over the Pit;

WHEREAS on May 1, 2020 JMB entered into proceedings under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36;

WHEREAS on December 18, 2020 the AEP EPO completed an inspection of the Lands and found:

- Access was barred by a locked gate. Access appeared shared with a CNRL installation;
- Cattle were present on the Lands;
- Good revegetation observed through sparse snow around the site including grasses, forbs,

trees, and shrubs; and

- A stockpile observed against the treeline on the northwest side. The stockpile was covered with grasses. Material was not determined due to the cattle present.

WHEREAS on February 23, 2021 the EPO spoke with Tyler PELL of JMB who stated:

- JMB's staff and consultants visited the pit December 11, 2020;
- JMB cannot comment on the nature of the stockpile;
- The Lands looked highly used by the cattle. There is no record of allowing grazing and he is concerned about the impact of cattle trails and use on reclamation;
- Thistle was present, but he wondered if this is due to cattle;
- There is a wet area off the access road, west of the line of spruce in the middle of the SML. Appeared to attract cattle; and
- They will need to assess if there is enough material to cover the outstanding reclamation area.

WHEREAS on March 15, 2021 the EPO identified that the access through the Pit was issued under an LOC in 1989;

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of the *Environmental Protection and Enhancement Act* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS the surface land disturbance in the Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS Clause 12 of the Indenture to SML 980116 commits the Operator to delivering the Lands to the Minister in a satisfactory condition upon cancellation of the lease [sic];

WHEREAS Clause 13 of the Indenture to SML 980116 commits the Operator to reclaiming the surface of the land in a manner satisfactory to the Minister;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the "Inspector"), has been designated as an Inspector for the purpose of issuing Environmental Protection Orders under section 140 of the *Environmental Protection and Enhancement Act*;


WHEREAS the Inspector is of the opinion that directing the performance of work is necessary in order to conserve and reclaim specified land;

THEREFORE, I, Nathan Polturak, Inspector, North Region pursuant to Section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER THAT:

1. The Parties shall not remove any stockpiled materials.
2. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation on private land, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall include at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of the surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and its value.
  - e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall

submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



---

Nathan Polturak  
Inspector,  
Environmental Protection Officer  
North Region

**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:**

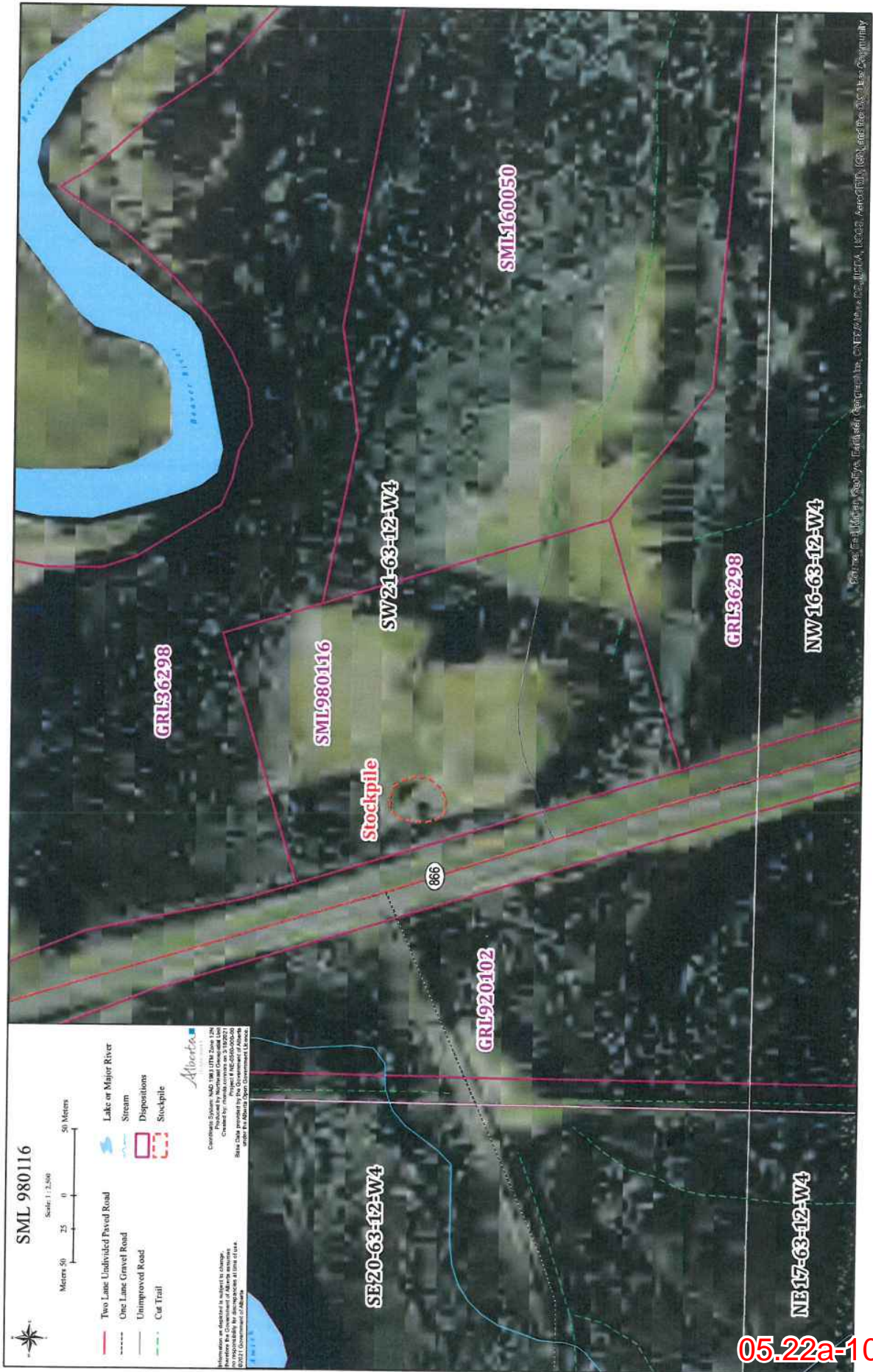
**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.**

**Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.**

## APPENDIX A





**ENVIRONMENTAL PROTECTION AND ENHANCEMENT ACT**

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

**ENVIRONMENTAL PROTECTION ORDER NO. EPO-EPEA-35659-08**

JMB Crushing Systems Inc.  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Byron Levkulich, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Aaron Patsch, Director  
Suite 2300, Bentall 5 550, Burrard Street  
Vancouver BC  
V6C 2B5,  
Canada

Jeffrey Buck, former Director  
JMB Crushing Systems Inc.  
3439 Keswick Boulevard SW  
Edmonton, AB  
T6W 3B2

George Shandro  
Box 7556  
Bonnyville, AB  
T9N 2H8

[Collectively, the "Parties"]

WHEREAS JMB Crushing Systems Inc. ["JMB"; the "Operator"] has operated a gravel pit [the "Pit"] on a portion of public land legally described as 08-23-061-07-W4M [the "Lands"] in the Municipal District of Bonnyville, in the Province of Alberta;

WHEREAS the Pit is approximately XXXX hectares in area. Appendix A to this Order contains a map showing the dimensions, location and features of the Pit;

WHEREAS the *Environmental Protection and Enhancement Act* ("EPEA") section 1(xx) defines pit as an operation on or excavation from the surface of the land for the purpose of removing sand and gravel and includes any associated infrastructure;

WHEREAS Byron Levkulich, Aaron Patsch are Directors for JMB and Jeffrey Buck is a former Director of JMB;

WHEREAS George Shandro was issued surface material lease ["SML 930040"] on July 29, 1993;

WHEREAS the disposition agreement for SML 930040 currently in force dates to January 14, 2004;

WHEREAS JMB [the "Operator"] was assigned SML 930040 on December 15, 2008;

WHEREAS the last documented activity at the pit was recorded in an annual return for the period ending July 28, 2010;

WHEREAS on January 29, 2013 an Alberta Environmental and Parks ["AEP"] Public Lands Officer ["PLO"] inspected the Lands and observed:

- The Pit was heavily recreated by all-terrain vehicles;
- The Pit is basically a big hole;
- Due to relatively small size of the SML and large size of the Pit there is little opportunity to continue operations; and
- The field recommended the SML not be renewed and the Operator seek reclamation in accordance with the field officer;

WHEREAS on July 28, 2013 SML 930040 expired;

WHEREAS on October 17, 2016 an AEP PLO inspected the Lands and noted the Pit appeared to be a depression in the snow with some vegetation growth;

WHEREAS on March 17, 2017 AEP issued JMB a letter cancelling SML 930040;

WHEREAS on May 1, 2020 JMB entered into proceedings under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36;

WHEREAS on May 28, 2020 an AEP Environmental Protection Officer ["EPO"] completed an inspection of the Lands and found:

- An open pit impacted by ATV use; and
- Garbage located around the site.

WHEREAS on December 18, 2020 the AEP EPO completed an inspection of the Lands and found:

- There was no recent activity at the pit;
- The pit is approximately 3.5 m deep; and
- Small hillocks of an undetermined material were present on the north and west edges of the pit.

WHEREAS on February 23, 2021 the EPO spoke with Tyler Pell of JMB who stated:

- JMB visited the pit in October 2020;

- JMB observed rooting and grass growing from the soil piles north of the pit; and
- JMB will need to assess if there is enough material to cover the outstanding reclamation area.

WHEREAS the Parties are persons who carry on or have carried on an activity on or in respect of specified land other than pursuant to an approval or registration, and are persons who act as principal or agent of person(s) referred to in any of *Environmental Protection and Enhancement Act* section 134(b)(i) to (vi), and therefore are operators;

WHEREAS the surface land disturbance in the Pit is "specified lands" as defined by the *Conservation and Reclamation Regulation* section 1(t)(v);

WHEREAS Clause 12 of the Indenture to SML 930040 commits the Operator to delivering the Lands to the Minister in a satisfactory condition upon cancellation of the lease;

WHEREAS Clause 13 of the Indenture to SML 930040 commits the Operator to reclaiming the surface of the land in a manner satisfactory to the Minister;

WHEREAS Nathan Polturak, Environmental Protection Officer, North Region (the "Inspector"), has been designated as an Inspector for the purpose of issuing Environmental Protection Orders under section 140 of the *Environmental Protection and Enhancement Act*;

WHEREAS the Inspector is of the opinion that directing the performance of work is necessary in order to conserve and reclaim specified land;

THEREFORE, I, Nathan Polturak, Inspector, North Region pursuant to Section 140 of the *Environmental Protection and Enhancement Act*, DO HEREBY ORDER THAT:

1. The Parties shall not remove any saleable aggregate materials from SML 930040;
2. By **March 26, 2021**, the Parties shall submit to the Inspector for the Inspector's approval, the name and qualifications of a consultant who carries a professional designation authorized to practice reclamation, which the Parties will retain to prepare and sign the below noted reclamation and remedial plan.
3. By **May 31, 2021**, the Parties shall submit to the Inspector for the Inspector's review and approval a written reclamation and remedial plan ("Plan").
4. The Parties shall at minimum include all of the following in the Plan:
  - a. Particulars of the characteristics and properties of the land including topography, drainage, soils, vegetation and land capability.
  - b. A historical synopsis of any surface, subsurface and groundwater disturbance.
  - c. A description of the adjacent land uses.
  - d. An accounting of what volume of marketable aggregate is left within the Pit and

its value.

- e. A description of the reclamation work including the type of equipment, methods and materials that will be used in implementing the Plan.
  - f. A description of the proposed reclaimed land use that includes elevations, soil replacement and re-vegetation.
  - g. A description of how ground water infiltrating open excavations will be addressed and justification for any surface and water related improvements to be left in place.
  - h. A proposed Schedule of Implementation that shall have **September 20, 2022** as the completion date.
  - i. A six month monitoring and maintenance program commencing **September 20, 2022**.
5. Upon approval of the Plan by the Inspector, the Parties shall conduct the work described in the approved Plan, according to the approved schedule of implementation, unless otherwise authorized in writing by the Inspector.
6. The Parties shall submit progress updates to the Inspector on **July 30, 2021**, **November 30, 2021**, **March 31, 2022**, and **July 29, 2022** that include a detailed summary of all reclamation activities undertaken at the Pit;
7. Within 14 days of the completion of the requirements of this Order, the Parties shall submit to the Inspector a final written report prepared and signed by the consultant describing the work undertaken to comply with this Order.

DATED at the Town of Lac La Biche in the Province of Alberta, this 19<sup>th</sup> day of March 2021.



Nathan Polturak  
Inspector  
Environmental Protection Officer  
North Region

**Section 91 of the *Environmental Protection and Enhancement Act* may provide a right of appeal against this decision to the Alberta Environmental Appeals Board. There may be a strict time limit for filing such an appeal. A copy of Section 91 is enclosed. For further information, please contact the Board Secretary at:**

**#306 Peace Hills Trust Tower  
10011 - 109 Street  
Edmonton, Alberta, T5J 3S8  
Telephone (780) 427-6207  
Fax (780) 427-4693.**

**Notwithstanding the above requirements, the Parties shall obtain all necessary authorizations in complying with this order.**

**Take notice that this Environmental Protection Order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.**

## APPENDIX A





THIS IS EXHIBIT "G" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH

SWORN BEFORE ME

THIS 23rd DAY OF MARCH, 2021

*Robin Grace White*

Notary Public in and for the State of Colorado

ROBIN GRACE WHITE  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20134069976  
MY COMMISSION EXPIRES NOVEMBER 16, 2021

**EXHIBIT "G"**  
**PARTY ACQUIRING OR RETAINING TRANSACTION ASSETS**

**Chart A: Transaction Assets under the Original Transaction versus Amended Transaction**

Type of Asset	Holder – Original Transaction	Holder – Amended Transaction	Comment
<b>Acquired Assets</b>			
Assigned Contracts <sup>1</sup>	Mantle	Mantle	
Books and Records	Mantle	Mantle	
Miscellaneous Assets <sup>2</sup>	Mantle	Mantle	
JMB Active Royalty Agreements and associated JMB Active Royalty Lands	Mantle	Mantle	Description in Chart B
<b>JMB Retained Assets</b>			
JMB Equipment <sup>3</sup>	Mantle	JMB	
JMB Dispositions, and JMB Disposition Lands	216	JMB	Description in Chart B
JMB Real Property	Mantle	JMB	
Atlas Shares	Mantle	JMB	
JMB EPEA Registrations and other JMB Permits	(1) Active to Mantle (2) Inactive to 216	JMB	Description in Chart B
JMB's Tranche B Inventory and other JMB Inventory <sup>4</sup>	Mantle	JMB	
Specific Contracts <sup>5</sup>	Mantle	JMB	
Other Inventory <sup>6</sup>	Mantle	JMB	
<b>216 Retained Assets</b>			
216 Dispositions and 216 Disposition Lands	(1) Active to Mantle (2) Inactive to 216	216	Description in Chart B
216 Reserves		216	
216 Permits		216	
216's Tranche B Inventory		216	
216 Miscellaneous Operational Contracts		216	
<b>Excluded ResidualCo Assets</b>			
PMSI Property	N/A	N/A	To be returned to PMSI Holders
Excluded Inventory	N/A	ResidualCo	Excluded from transaction
Accounts Receivable	216	Residual Co	
Excluded Books and Records	216	Residual Co	
Excluded Real Property	216	JMB	Included in JMB Real Property
JMB Inactive Royalty Agreements and the applicable JMB Inactive Royalty Lands	216	Residual Co	Description in Chart B

<sup>1</sup> Axon software licence, ISNetworld software licence, ComplyWorks software licence and JLG Ball non-competition agreement

<sup>2</sup> Business and goodwill, Intellectual Property and Causes of Action (but excluding Accounts Receivable)

<sup>3</sup> Fiera Equipment, Enterprise Equipment, miscellaneous equipment on Bonnyville leased lands, at the included Aggregate Pits and at the Edmonton premises

<sup>4</sup> JMB Inventory is defined in the Amended Purchase Agreement as Inventory located on the JMB Disposition Lands, JMB Active Royalty Lands and JMB Inactive Royalty Lands.

<sup>5</sup> Bonnyville Supply Contract, Cenovus Agreement, Bonnyville Lease, and the JMB Miscellaneous Operational Contracts.

<sup>6</sup> Inventory owned by JMB or in which JMB has an interest not located on JMB Real Property, Bonnyville Lands, JMB Disposition Lands, JMB Active Royalty Lands or JMB Inactive Royalty Lands, but excluding for certainty the Excluded Inventory.

Type of Asset	Holder – Original Transaction	Holder – Amended Transaction	Comment
Rejected Contract not disclaimed under section 32 of the CCAA	216	Residual Co	
<b>Excluded Disposed Assets</b>			
Fiera Disposed Equipment	Third party purchasers	Third party purchasers	
Fiera Eastside Equipment	Eastside	Eastside	
Rejected Contracts disclaimed under s. 32 CCAA	Counterparty to Rejected Contract	Counterparty to Rejected Contract	
property or assets disposed of by a Vendor following the Filing Date	Third party purchasers	Third party purchasers	

**Chart B: Dispositions (Public Lands) and EPEA Registrations (Private Lands) under the Original Transaction versus Amended Transaction**

Current Holder	Name <sup>7</sup>	Registration / Disposition Number	Original Transaction Holder	Amended Transaction Holder	Applicable Defined Term in Amended Purchase Agreement (Status)
216	SML 060060	SML 060060	216	216	216 Disposition
216	DLO 170011	DLO 170011 <sup>8</sup>	216	216	216 Disposition
216	JLG 3	SML 080085	Mantle	216	216 Disposition
216	JLG 5	SML 110025	Mantle	216	216 Disposition
216	JLG 6	SML 110026	Mantle	216	216 Disposition
216	JLG 7	SML 110045	Mantle	216	216 Disposition
216	JLG 8	SML 110046	Mantle	216	216 Disposition
216	JLG 9	SML 110047	Mantle	216	216 Disposition
216	JLG 10	SML 120005	Mantle	216	216 Disposition
216	JLG 11	SML 120006	Mantle	216	216 Disposition
216	JLG 12	SML 120100	Mantle	216	216 Disposition
216	JLG 4	SML100085	Mantle	216	216 Disposition
JMB	Andrychuk	Royalty Agreement	Mantle	Mantle	JMB Active Royalty Agreement
JMB	Havener	17395-01-00	Mantle	JMB	EPEA Registration
JMB	Havener	Royalty Agreement	Mantle	Mantle	JMB Active Royalty Agreement
JMB	Shankowski	308161-00-00	Mantle	JMB	EPEA Registration
JMB	Shankowski	Royalty Agreement	Mantle	Mantle	JMB Active Royalty Agreement
JMB	Buksa	15048-03-02	Mantle	JMB	EPEA Registration
JMB	Buksa	Royalty Agreement	Mantle	ResidualCo	JMB Inactive Royalty Agreement
JMB	Hoye/Kucy	306490-00-00	216	JMB	EPEA Registration
JMB	Hoye/Kucy	Royalty Agreement	216	ResidualCo	JMB Inactive Royalty Agreement
JMB	MacDonald	293051-00-00	216	JMB	EPEA Registration
JMB	MacDonald	Royalty Agreement	216	ResidualCo	JMB Inactive Royalty Agreement


<sup>7</sup> Name refers to how a land holding or pit was identified in the books and records of JMB

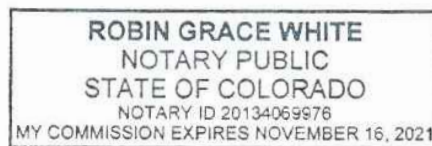
<sup>8</sup> Access for SML 060060.

Current Holder	Name <sup>7</sup>	Registration / Disposition Number	Original Transaction Holder	Amended Transaction Holder	Applicable Defined Term in Amended Purchase Agreement (Status)
JMB	Megley	149949-00-00	216	JMB	EPEA Registration
JMB	Megley	Royalty Agreement	216	ResidualCo	JMB Inactive Royalty Agreement
JMB	O'Kane	263318-00-00	216	JMB	EPEA Registration
JMB	O'Kane	Royalty Agreement	216	ResidualCo	JMB Inactive Royalty Agreement
JMB		SML 120027	216	JMB	JMB Disposition
JMB		SML 930040	216	JMB	JMB Disposition
JMB		SML 980116	216	JMB	JMB Disposition
JMB		NE 35-56-6-W4	Mantle	JMB	JMB Real Property
JMB		DML 120032	216	JMB	JMB Disposition
JMB		SME 150106	216	JMB	JMB Disposition
JMB		SME 200009	216	JMB	JMB Disposition
1386194 Alberta Ltd.	Crow Lake	SML 030074	N/A	N/A	Subject to disclaimed Royalty Agreement <sup>9</sup>
Lafarge	Moose River	SML 100043	Mantle	Mantle	Lafarge holders Disposition
Lafarge	Oberg	15215-01-01	Mantle	Mantle	Lafarge holders EPEA Registration

<sup>9</sup> Mantle will have interest in 1386194 Alberta Ltd. through shares.

THIS IS EXHIBIT "H" REFERRED TO IN  
THE AFFIDAVIT OF BYRON LEVKULICH  
SWORN BEFORE ME  
THIS 23rd DAY OF MARCH, 2021

  
\_\_\_\_\_  
Notary Public in and for the State of Colorado



**JMB Crushing Systems Inc.** **3/23/2021**

*Summary of Estate Costs January 12, 2021 to April 2, 2021*

	<b>Total</b>
<b>Cash Receipts</b>	
Collection of Canadian Emergency Wage Subsidy	\$ 87,724
Collection of Canadian Emergency Rent Subsidy	74,342
SISP Proceeds	36,575
<b>Total Receipts</b>	<b>\$ 198,641</b>
<b>Operating Disbursements</b>	
Payroll And Source Deductions	\$ (214,199)
Occupancy	(119,313)
Insurance & Benefits	(38,203)
Other	(29,761)
Office Administration	(15,648)
Equipment Loan & Lease Payments	(2,814)
Fuel	(2,404)
Repair & Maintenance	(2,015)
<b>Total Operating Disbursements</b>	<b>\$ (424,357)</b>
<b>Non-Operating Receipts &amp; Disbursements</b>	
CARC Advance	\$ -
Professional Fees	(691,867)
<b>Total Non-Operating Receipts and Disbursements</b>	<b>\$ (691,867)</b>
<b>Net Cashflow</b>	<b>\$ (917,583)</b>