

COURT FILE NUMBER 2001-05482

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF A PLAN OF
ARRANGEMENT OF JMB CRUSHING SYSTEMS INC.
AND 2161889 ALBERTA LTD.

DOCUMENT SEVENTH REPORT OF FTI CONSULTING CANADA
INC., IN ITS CAPACITY AS MONITOR OF JMB
CRUSHING SYSTEMS INC. AND 2161889 ALBERTA
LTD.

September 30, 2020

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

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

COUNSEL

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

SEVENTH REPORT OF THE MONITOR

Table of Contents

INTRODUCTION	3
TERMS OF REFERENCE	6
SECURITY OPINION.....	7
CONCLUSION OF THE SISP	7
BACKGROUND	9
EQUIPMENT OFFERS.....	11
MANTLE APA.....	13
ASSIGNMENT ORDER	17
REVERSE VESTING ORDER	18
PLAN OF ARRANGEMENT	19
SANCTION ORDER.....	21
FIFTH CASH FLOW STATEMENT.....	23
STAY EXTENSION.....	24
MONITOR’S CONCLUSIONS AND RECOMMENDATIONS	25

Appendix A – Plan of Arrangement dated September 29, 2020

Confidential Appendix B – Summary of SISP Results

Confidential Appendix C – Listing of Restricted Agreements and Unrestricted Agreements

Appendix D – Asset Purchase Agreement between JMB Crushing Systems Inc. and Sandhill Equipment Corp.

Appendix E – Asset Purchase Agreement between JMB Crushing Systems Inc. and McDonald Aggregates Inc.

Confidential Appendix F – Asset Purchase Agreement between JMB Crushing Systems Inc. and Mantle Materials Group Ltd.

Appendix G - Fifth Cash Flow Statement for the 26 Weeks Ending October 30, 2020

INTRODUCTION

1. On May 1, 2020 (the “**Filing Date**”), JMB Crushing Systems Inc. (“**JMB**”) and 2161889 Alberta Ltd. (“**216**” and together with JMB, the “**Applicants**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court which was subsequently amended and restated on May 11, 2020 (the “**ARIO**”).
2. The ARIO provides for, among other things:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until July 31, 2020;
 - b. the appointment of FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”); and
 - c. the approval of a sale or investment solicitation process (“**SISP**”).
3. On September 25, 2020, this Honourable Court granted an order extending the Stay of Proceedings until and including October 2, 2020.
4. On September 29, 2020, the Monitor filed a Notice of Application for the following orders:
 - a. an order approving the sale of certain equipment to Sandhill Equipment Corp. (“**Sandhill**”) and vesting the assets free and clear of any security interests or other claims (the “**Sandhill SAVO**”);
 - b. an order approving the sale of certain equipment to McDonald Aggregates Inc. (“**McDonald**”) and vesting the assets free and clear of any security interests or other claims (the “**McDonald SAVO #2**”);

- c. an order approving the sale of certain assets to Mantle Materials Group, Ltd. (“**Mantle**”) and vesting the assets free and clear of any security interests or other claims other than the Permitted Encumbrances¹ (the “**Mantle SAVO**” and together with the Sandhill SAVO and McDonald SAVO #2, the “**SAVOs**”);
 - d. an order transferring and vesting all of the remaining assets and liabilities of JMB in 216 and Eastside Rock Products, Inc. (“**Eastside**”) and authorizing and directing certain secured parties with prior ranking purchase-money security interests or leases to take possession or control of their collateral or leased property (collectively, the “**Equipment Lenders**”) and account for the proceeds of sale thereof pursuant to a reverse vesting order (the “**RVO**”).
5. The amended and restated asset purchase agreement between JMB and Mantle (the “**Mantle APA**”) is conditional upon, among other things, JMB and Mantle submitting a joint plan of arrangement (the “**Plan**”) under the *Business Corporations Act, SBC 2002, c 57, as amended* (British Columbia) and the CCAA. A copy of the Plan is attached as Appendix “A”.
6. On September 29, 2020, the Applicants filed a Notice of Application (the “**Applicants’ Application**”) for the following orders:
 - a. an Order (the “**Assignment Order**”): (i) assigning the rights and obligations of the Applicants under certain agreements which contain provisions restricting their assignment (the “**Restricted Agreements**”) to Mantle under section 11.3 of the CCAA, subject to the payment of applicable cure costs by Mantle; and, (ii) declaring that the transfer and vesting of the remaining contracts to be assigned under the Mantel APA (the “**Unrestricted Agreements**” and together with the Restricted Agreements, the “**Assigned Agreements**”) vest, pursuant to the Mantle SAVO, in Mantle free and clear of any monetary claims of the counterparties to such Unrestricted Agreements, absent the payment of any associated cure costs;

¹ As defined in the SAVO

- b. an order sanctioning the Plan (the “**Sanction Order**”); and
 - c. an order extending the Stay of Proceedings until and including October 30, 2020 (the “**Extension Order**”).
7. The purpose of this report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to:
- a. an independent opinion on the validity and enforceability of security held by JMB’s senior secured lenders, Fiera Private Debt Fund VI LP (“**Fiera**”) and ATB Financial (“**ATB**”), prepared by McCarthy Tetrault LLP (“**McCarthy**”) in its capacity as legal counsel to the Monitor (the “**Security Opinion**”);
 - b. the conclusion of the SISP;
 - c. background of the CCAA Proceedings;
 - d. the Monitor’s application for the Sandhill SAVO;
 - e. the Monitor’s application for the McDonald SAVO #2;
 - f. the Monitor’s application for the Mantle SAVO;
 - g. the Applicants’ application for the Assignment Order;
 - h. the Monitor’s application for the RVO;
 - i. the key commercial terms of the Plan;
 - j. the Applicants’ application for the Sanction Order;

- k. an updated cash flow statement (the “**Fifth Cash Flow Statement**”) prepared by the Applicants for the 26 weeks ending October 30, 2020 including the key assumptions on which the Fifth Cash Flow Statement is based;
- l. the Applicants’ application for the Extension Order; and
- m. the Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

- 8. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including information provided by JMB concerning the various assets subject to the various transactions and JMB’s unaudited financial information, books and records and discussions with senior management and the Chief Restructuring Advisor (the “**CRA**” and collectively, “**Management**”).
- 9. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 10. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
- 11. Future oriented financial information reported to be relied on in preparing this report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
- 12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

SECURITY OPINION

13. McCarthy was engaged to complete an independent review of the security held by Fiera and ATB over the assets of the Applicants that were subject to the SISP. Subject to standard qualifications and assumptions, McCarthy has opined that the security held by Fiera and ATB is valid and enforceable.
14. Fiera has first-ranking security in all of JMB's present and after-acquired personal property while ATB has first-ranking security over inventory, accounts receivable, a parcel of real property owned by JMB and cash proceeds in connection with letters of credit issued by ATB up to a maximum amount not exceeding \$100,000 in the aggregate.
15. In addition to ATB and Fiera, the Equipment Lenders hold prior ranking purchase-money security interests, serial number registrations or constitute equipment lessors. McCarthy has reviewed the security of certain Equipment Lenders and subject to the standard qualifications and assumptions, has opined that their security is valid and enforceable.
16. As part of the RVO, the Monitor is seeking direction to have JMB release the equipment related to the Equipment Lenders' lease or financing agreements subject to such Equipment Lenders providing an accounting of the proceeds of sale and on a without prejudice basis to any parties positions concerning any future cost allocation to be approved by this Honourable Court.

CONCLUSION OF THE SISP

17. In accordance with the SISP, Sequeira Partners, in its capacity as sales agent ("**Sales Agent**"), has marketed the business and assets of the Applicants, in consultation with the Monitor.
18. Highlights of the SISP (as have been previously reported to this Honourable Court) are as follows:

- a. the Sales Agent contacted 196 potentially interested parties including 90 strategic, 70 financial and 36 other investors;
 - b. 53 potential purchasers executed non-disclosure agreements and were provided with a confidential information memorandum and access to an electronic data room;
 - c. eight non-binding expressions of interest were received by the Sales Agent and the Monitor on or before the Phase 1 bid deadline, of which 7 potential purchasers were invited to participate in Phase II of the SISP; and
 - d. four binding bids were received by the Sales Agent and Monitor on or before the Phase II bid deadline for binding bids.
19. Attached at as Confidential Appendix “**B**”, is a summary of the SISP results and details of the binding bids received at the end of Phase II.
20. Over the past several weeks, the Sales Agent, in consultation with the Monitor, the CRA, and certain secured lenders, has been working to clarify certain aspects of the bids, negotiate additional consideration in order to select one or more preferred bids and to apportion and segregate assets with multiple bids to maximize value and recoveries for the Applicants’ estates.
21. The result of those negotiations was the acceptance of the initial sale of certain pieces of crushing equipment to McDonald which was approved by this Honourable on August 26, 2020. As discussed in the Fifth Report of the Monitor, negotiations then continued with a potential purchaser regarding an additional bid that would provide for the sale of the majority of the Applicants’ remaining assets.
22. The Monitor has now accepted the Phase 2 Bid from Mantle along with the Equipment Offers, as defined and discussed below.

23. As set out in the Second Report of the Monitor, the SISP was conducted by the Sales Agent under the supervision of the Monitor with the assistance of the CRA. As Resource Land Fund V LP (“**RLFV LP**”), the ultimate parent of JMB and 216, participated in the SISP, representatives of RLFV LP (and its counsel) were not consulted with respect to the progress of the SISP or the details of the bids submitted in the SISP.

BACKGROUND

24. The Monitor provides the following brief background with respect to these CCAA Proceedings of the Applicants to provide the reader with a reference in reviewing the various orders and relief being sought.

25. As set out in the affidavit of Byron Levkulich dated September 30, 2020, the Applicants’ business was in the extraction, processing and transportation and sale of aggregate in Alberta. JMB, and through its subsidiary 216, had rights of access to over 50 aggregate pits in Alberta along with various contracts, office equipment and other equipment used in the operations. A subsidiary of JMB, Eastside, owned certain equipment which remains physically located in the State of Washington.

26. The primary secured creditors are:

- a. ATB has a first ranking security with respect to the inventory and accounts receivable of JMB and 216 along with a parcel of real property owned by JMB;
- b. Fiera has first charge against all other assets of JMB, 216 and Eastside with the exceptions of personal property subject to the Equipment Lenders’ claims; and
- c. there are nine Equipment Lenders with first ranking charges over specific equipment which are not part of any sales contemplated under the SISP process.

27. The Monitor's estimate of the net recoveries from the SISP along with the expected recoveries of the Applicants' working capital are expected to be significantly less than the \$10.7 million and \$19.3 million, ATB and Fiera are owed respectively.
28. Given the significant shortfall to the secured lenders and that the primary security of the ATB (i.e. collection of accounts receivable) was being used to fund the ongoing CCAA process, the Monitor and the Applicants had concurrent discussions with ATB and Fiera concerning the allocation of costs associated with these CCAA Proceedings. Agreement on the allocations of costs was required to be completed in order for ATB, Fiera and Mantle to conclude certain commercial terms associated with the Mantle APA. Such agreement was substantially agreed to in late August yet further discussions were necessary due to the ongoing stay extensions. However, the Monitor understands that ATB, Fiera and Mantle are in general agreement of a cost allocation methodology assuming a closing of the Mantle APA in the near-term.
29. As a part of the cost-sharing discussions, it was determined that Fiera would support the sale of certain pieces of its equipment to generate additional cash consideration to fund the process and consummate the Mantle APA. The Sales Agent was then able to solicit additional offers from Sandhill and McDonald as discussed below.
30. The Monitor acknowledges the complexity in the various orders and relief being sought and provides the following comments with respect to the transaction contemplated by the Mantle APA:
- a. The Mantle APA contemplates an acquisition of a substantial majority of the Applicants' assets: 16 aggregate pits and related leases, certain inventory located on at the aggregate pits, customer contracts, office equipment and related equipment. The Mantle APA contemplates a 'going concern' acquisition including offers of employment to certain employees once the operations are fully operational;

- b. the RVO is required by Mantle in order to effectively ‘cleanse’ the corporate shell of JMB in order to allow certain positive tax attributes. The mechanics of the RVO is discussed in further detail below;
- c. the Assignment Order addresses contracts which cannot be assigned without the consent of the counter-party, therefore the Assignment Order contemplates the assignment of approximately 21 Restricted Agreements and certain related or ancillary instruments thereto, all pursuant to section 11.3 of the CCAA on the condition that all corresponding cure costs are paid. The Assignment Order also declares that all Unrestricted Agreements (being all remaining Assigned Contracts under the Mantel APA which are not Restricted Agreements) shall be assigned under the Mantel APA and vest, pursuant to the Mantle SAVO, in Mantle free and clear of any monetary claims of the counterparties to such Unrestricted Agreements, absent the payment of any associated cure costs. The listing of Restricted Agreements and Unrestricted Agreements, along with outstanding cure amounts, as provided and calculated by the Applicants, are set out Confidential Appendix “C”;
- d. A plan of arrangement is also contemplated to address the equity ownership of JMB at the completion of the proposed Mantle transaction (as discussed below); and
- e. The Mantle APA is conditional upon the granting of the SAVO, the Assignment Order, the RVO and the Sanction Order.

31. The details of the Equipment Offers (as subsequently defined) and the Mantle APA along with the orders and relief being sought are set out in further detail below.

EQUIPMENT OFFERS

32. The Monitor, in consultation with the affected secured lenders, has accepted offers from Sandhill (the “**Sandhill Offer**”) and McDonald (the “**McDonald Offer #2**”, together with the Sandhill Offer, the “**Equipment Offers**”) to purchase certain specific pieces of

equipment. Copies of the asset purchase agreements are attached as Appendices “D” and “E”.

33. Highlights of the Sandhill Offer are provided below:

- a. Sandhill will purchase certain crushing assets from JMB including the following:
 - i. a 2011 Svedala H-6000 Hydrocone M2802 Portable Cone Crusher;
 - ii. a 2004 Sandvik H4800 Hydrocone Portable Crusher; and
 - iii. a 1999 Red Deer 25-Cubic Yard Portable Trap Feeder.
- b. the Sandhill purchase price will be \$185,000 plus applicable taxes.

34. Highlights of the McDonald Offer #2 are provided below:

- c. McDonald will purchase certain assets from JMB including the following:
 - i. a 6” Diesel Trash Pump; and
 - ii. a 2008 Kolberg/Pioneer telescopic radial super stacker.
- d. the McDonald purchase price will be \$105,000 plus applicable taxes.

35. The Monitor’s comments with respect to the Equipment Offers are as follows:

- a. the price and terms of the Equipment Offers represent the highest and best offer in respect of the subject assets;
- b. key stakeholders including Fiera, as a senior secured creditor in respect of the subject assets, are supportive of the Monitor accepting the Equipment Offers;
- c. concluding the Equipment Offers will provide for cash consideration to fund estate costs and potential distributions to secured creditors; and

- d. overall, concluding the transactions contemplated by the Equipment Offers are in the best interests of the creditors of JMB.

MANTLE APA

36. The Mantle APA is attached as Confidential Appendix “F” to this report.

37. The key commercial terms of the Mantle APA are as follows:

- a. Mantle will purchase the majority of JMB’s assets, including the following:
 - i. certain aggregate pit agreements, real property and related aggregate reserves and permits;
 - ii. inventory located on two SMLs as well as inventory pursuant to an agreement with ATB;
 - iii. certain equipment, contracts and shares in a joint venture subsidiary; and
 - iv. the books and records and other miscellaneous assets.
- b. Mantle will not purchase the following assets (the “**Excluded Assets**”):
 - i. certain equipment with a security interest in favour of Fiera that has been sold or is to be sold or that is located on property that Eastside, a subsidiary of JMB, had access to in the State of Washington;
 - ii. any of the Equipment Lenders’ assets;
 - iii. a lease of a property in Edmonton, Alberta that is to be disclaimed pursuant to the Mantle APA;

- iv. certain aggregate pits and related inventory, including the pits related to Kalinko Enterprises Ltd., that will vest in 216 pursuant to the RVO; and
 - v. the debts or accounts receivable owing to the Applicants of which any collection will be applied against the ATB indebtedness, which will also vest in 216.
- c. Mantle will assume the following liabilities:
- i. certain cure costs in accordance the Assignment Order;
 - ii. the portion of Fiera’s debt that Mantle becomes liable for pursuant to its loan agreement with Fiera (the “**Fiera Assumed Debt**”);
 - iii. the portion of ATB’s secured debt that Mantle becomes liable for associated with the sell-off agreement of inventory and a security interest in JMB’s real property subject to the Mantle APA (the “**ATB Assumed Debt**”);
 - iv. the go forward liabilities under the assigned contracts;
 - v. any liabilities with respect to transferred employees; and
 - vi. any liabilities with respect to the acquired assets following the applicable adjustment date.
- d. the details of the purchase price are set out in the Confidential Appendix “**B**”;
- e. certain adjustments relating to revenues, costs and expenses of the acquired assets and transferred employees are to be apportioned as at the date before closing;

- f. in order to facilitate the transaction, the Mantle APA requires the approval of this Honourable Court of the following orders, in addition to the Mantle SAVO, which are described in further detail below:
 - i. the Assignment Order;
 - ii. the RVO; and
 - iii. the Sanction Order.

- g. the material conditions to closing are as follows:
 - i. payment by Mantle to JMB of the purchase price;
 - ii. the issuance of the Sanction Order, RVO, the Assignment Order, which shall be in form and substance satisfactory to all parties;
 - iii. there shall not be in effect any preliminary or final order, decision or decree by a governmental authority, no application, action or proceeding shall have been commenced with any government authority, and no action or investigation shall have been announced, threatened or commenced by any governmental authority in connection with the transactions contemplated by the Sanction Order or RVO, which restrains, impedes or prohibits such transaction or any material part thereof or requires or purports to require a material variation thereof;
 - iv. the Unrestricted Agreements shall have been vested in Mantle free and clear of any liabilities accrued as of the Filing Date; and
 - v. there will have been obtained from all appropriate governmental authorities and counterparties such material approvals or consents and

such permits as are required to permit the change of ownership of the acquired assets.

38. The Monitor's observations with respect to the SISP and comments with respect to the Mantle APA are as follows:

- a. the Monitor, with the assistance of the Sales Agent, has marketed the business and assets in accordance with the procedures outlined in the SISP;
- b. the SISP was fair and transparent and all participants were treated consistently and with equal access to information;
- c. the SISP was conducted in a manner that managed against potential conflicts of interest among related parties that chose to participate in the SISP, particularly as it relates to RLFV LP being the ultimate parent of both CARC and Mantle. As it was anticipated that RLFV LP would submit a bid in the SISP, none of the representatives of RLFV LP were consulted with or involved in the review or selection of the bids or the SISP in general;
- d. the price and terms of the Mantle APA represent the highest and best offer in respect of the subject assets and is reasonable and fair, taking into account their market value;
- e. key stakeholders including ATB and Fiera as senior secured creditors in respect of the subject assets are supportive of the Monitor accepting the Mantle APA;
- f. no stakeholders, aside from ATB and Fiera, are impacted by the RVO and Plan as the majority of the remaining assets and liabilities attach to 216 in the same order and priority as exists immediately prior to the RVO taking effect;
- g. the Mantle APA will provide for cash consideration to fund estate costs and potential distributions to secured creditors;

- h. there is no viable alternative to the transaction contemplated by the Mantle APA and the sale of the assets subject to the Mantle APA would be more beneficial to the Applicants' creditors than a sale or disposition under a bankruptcy whereby a going concern sale may not be achievable; and
- i. overall, concluding the transaction contemplated by the Mantle APA is in the best interests of the creditors of JMB.

ASSIGNMENT ORDER

39. The Applicants are seeking the Assignment Order pursuant to section 11.3 of the CCAA assigning to Mantle any Restricted Agreements where the counterparty has not consented to the assignment, provided that any applicable cure costs are paid.
40. Mantle has advised that it will be able to perform the obligations under the Assigned Agreements and has set aside sufficient working capital to deal with all such go forward obligations. The Monitor also notes that the parties to the Restricted Agreements are not materially prejudiced given the requirement that Mantle first pay all related cure costs.
41. With respect to any Unrestricted Agreements that do not contain any restriction on the transfer of the agreement, the Mantle SAVO contemplates that such Unrestricted Agreement be vested in Mantle without the payment of any associated cure costs. The Monitor understands that there are eight Unrestricted Agreements with the details and arrears amounts, as provided by the Applicants to the Monitor, set out on Confidential Appendix "C". The Monitor understands that the parties to the Unrestricted Agreements have been notified of this application and that negotiations between the counterparties to the Unrestricted Agreements and Mantle are ongoing.
42. Finally, to the extent a resolution is not reached between the counterparties to the Unrestricted Contracts and the Purchaser, prior to the return of the Applicants' Application, the declaratory relief that the Unrestricted Contracts shall be vested free and clear of any liabilities or claims, absent the payment of any associated cure costs, will be

argued by the Applicants, as part of the contemplated Assignment Order under the Applicants' Application.

REVERSE VESTING ORDER

43. The RVO is critical to the viability of the transaction and its purpose is to utilize certain regulatory licenses and preserve certain tax attributes, such as paid up capital, in JMB that cannot otherwise be transferred to Mantle.
44. The RVO authorizes the applicants to undertake a reverse vesting transaction whereby JMB will convey all of its remaining assets (the "**Remaining JMB Assets**") and liabilities (the "**Remaining JMB Liabilities**") that are excluded from the Mantle APA to 216, in a siloed and structured manner.
45. Pursuant to the RVO, upon issuance of a Monitor's Certificate, the following shall be deemed to have occurred at the effective time of the RVO:
- a. JMB's interest in the Remaining JMB Assets shall vest in 216, subject to all existing encumbrances which shall remain attached to the applicable assets;
 - b. all Remaining JMB Assets and their proceeds shall be held in trust by 216 for and on behalf of persons to whom the Remaining JMB Liabilities are owed;
 - c. all Remaining JMB Liabilities shall be transferred to and vest in 216 and 216 shall be deemed to have assumed and become liable for such Remaining JMB Liabilities;
 - d. JMB creditors shall be forever barred from commencing any steps or proceedings with respect to the Remaining JMB Liabilities or encumbrances against JMB subsequent to the reverse vesting;

- e. any JMB creditor that had a right or claim against JMB pursuant to a Remaining JMB Liability shall no longer have such claim but shall have an equivalent claim against 216;
- f. JMB shall be deemed released from any and all Remaining JMB Liabilities; and
- g. notwithstanding the above, JMB shall continue to be liable to ATB for the remaining ATB debt (the “**Remaining ATB Debt**”) and to Fiera for the remaining Fiera debt (the “**Remaining Fiera Debt**”) and the encumbrances granted by JMB to ATB and Fiera shall continue to attach to any property and assets of JMB, subject to the terms and provisions of the Plan.

PLAN OF ARRANGEMENT

- 46. The Mantle APA is conditional upon, among other things, JMB and Mantle submitting the Plan. The purpose of the Plan is to enable Mantle to continue the business as a going concern and arrange the Remaining ATB Debt and the Remaining Fiera Debt as well as altering the current Original Articles, as set out further below.
- 47. The primary secured creditors of JMB and 216 are ATB and Fiera and the security interests of ATB and Fiera rank in priority to another creditor of JMB and 216, other than certain PMSIs as set out the Plan. ATB and 216 are the sole affected creditors under the Plan
- 48. The Plan, should it be sanctioned by this Honourable Court, will have the effect of:
 - a. cancelling all equity securities in JMB other than the Class A JMB shares;
 - b. transferring the Class A JMB shares from Canadian Aggregate Resource Corporation (“**CARC**”) to RLF Canada Holdings Limited (“**RLF**”), the sole shareholder of all issued and outstanding shares of Mantle and an affiliate of CARC. Both CARC and RLF are wholly owned subsidiaries of RLFV LP, a US private equity fund;

- c. arranging the indebtedness of ATB such that ATB shall have recourse against Mantle and JMB for the ATB Assumed Debt, to the extent of the acquired aggregate inventory and proceeds thereof;
 - d. arranging the indebtedness of Fiera such that Fiera shall have recourse against Mantle and JMB for the Fiera Assumed Debt;
 - e. arranging the indebtedness of ATB and Fiera, such that upon amalgamation of Mantle and JMB, they do not have recourse against Mantle for the Remaining ATB Debt or the Remaining Fiera Debt, which shall continue to attach to the Remaining JMB Assets and 216 as they had immediately prior to Plan implementation; and,
 - f. providing that JMB holds all permits of JMB in trust for and on behalf of Mantle.
49. The Mantle APA will result in a shortfall to ATB and Fiera and there will be no proceeds available to pay any of the indebtedness, liabilities or obligations to unsecured creditors of JMB and 216 and they are therefore unaffected by the Plan (the “**Unaffected Creditors**”). The Plan contemplates that the shares of JMB have no value and that the existing shareholders are therefore also unaffected by the Plan (the “**Existing Shareholders**”). The only affected creditors will be Fiera and ATB as a result of their assumed debt (the “**Affected Creditors**”).
50. The Plan contains a provision allowing the Applicants to amend, restate, modify and/or supplement the Plan, with the prior consent of the Monitor provided that it is filed and approved by this Honourable Court. Court approval is not required if the matter is of an administrative nature, in the opinion of JMB, Mantle and the Monitor, and is required to better give effect to Plan implementation and the Sanction Order or to cure any errors, omissions or ambiguities.
51. The Plan contemplates that if both of the Affected Creditors agree to the Plan pursuant to proxies provided to the Monitor, JMB and Mantle, the Monitor may dispense with

holding a creditors' meeting to confirm the Plan. For greater certainty, no Unaffected Creditor or Existing Shareholder will be entitled to vote or attend the creditors' meeting in respect of the Plan.

52. Plan implementation is then conditional on the satisfaction or waiver of the following:

- a. the Affected Creditors shall have agreed to the Plan;
- b. the Court will have granted the Sanction order; and
- c. all closing conditions precedent pursuant to the Mantle APA have been satisfied.

53. The lack of available liquidity in the Mantle APA and the overall results of the SISP make the completion of typical plan of arrangement problematic. As discussed above, both ATB and Fiera are expected to recover amounts significantly less than their secured debts under the above noted transactions, accordingly there will be no recovery to the unsecured creditors. However, the Monitor agrees that the recoveries under the Mantle APA (which requires the Plan and RVO) will provide recoveries greater than the most likely alternative which would be a receivership and/or bankruptcy.

54. The Monitor understands that ATB and Fiera are supportive of the Plan. Based on the results of the SISP and the recoveries under the Mantle APA (with shortfalls being to the two primary secured creditors, ATB and Fiera), no other creditors or equity holders are being affected by the Plan.

SANCTION ORDER

55. The Sanction Order provides for, among other things, the following relief:

- a. sanctioning of the Plan;
- b. authorization for the Applicants, Mantle and the Monitor to take such steps as may be necessary to implement the Plan and complete such transactions as may

be necessary to implement the Plan and complete such transactions as are contemplated by the Plan;

- c. broad third-party releases to the Applicants' legal counsel, the Monitor, Mantle and their respective subsidiaries and affiliates and each of their respective shareholders, partners, officers, directors, current and former employees, financial advisors, legal counsel and agents for any liabilities and claims for acts and omissions in respect of the Plan.

Monitor's Comments on the Sanction Order

56. The Monitor's Comments on the Sanction Order are as follows:

- a. the Plan provides for an effective way to complete the transactions contemplated by the Mantle APA and transfer ownership of the purchased assets to Mantle;
- b. based on the Mantle APA, the outcome of the SISP, no other creditors have an interest in the subject assets aside from Fiera and ATB and all other creditors are unaffected by the Plan;
- c. ATB and Fiera are the only intended affected creditors and both have approved the Plan and are supportive of the application for the Sanction Order;
- d. the Plan complies with the statutory requirements of the CCAA;
- e. nothing has been done or purported to have been done that is not authorized by the CCAA.

57. Overall, the Monitor is of the view that the relief sought in the Sanction Order is fair and reasonable and is in the best interests of the Applicants' stakeholders as it is condition precedent to the closing of the Mantle Transactions and the going concern operation of the assets and business subject to same.

FIFTH CASH FLOW STATEMENT

58. The Applicants have prepared the Fifth Cash Flow Statement which includes forecast results for the five weeks ending October 30, 2020 (the “**Forecast Period**”). A copy of the Fifth Cash Flow Statement is attached as Appendix “G”.

59. A summary of the Fifth Cash Flow Statement is set out in the table below:

<i>(\$000's)</i>	Weeks 1-21 Actual	Weeks 22-26 Forecast	Total Pro-Forma
Operating Receipts			
Collection of Pre-Filing AR - Ellis Don	\$ 2,032	\$ 167	\$ 2,199
Collection of Pre-Filing AR - MD of Bonnyville	1,478	1,850	3,328
Collection of Post Filing AR - MD of Bonnyville	1,566	-	1,566
SISP Proceeds	277	305	582
Other Receipts	807	20	827
Total Operating Receipts	6,159	2,342	8,501
Operating Disbursements			
Payroll And Source Deductions	(1,322)	(36)	(1,358)
Royalties	(408)	-	(408)
Fuel	(207)	(1)	(207)
Repair & Maintenance	(49)	-	(49)
Office Administration	(27)	(6)	(33)
Insurance & Benefits	(202)	(2)	(203)
Jobsite Lodging	(21)	-	(21)
Equipment Loan & Lease Payments	(136)	-	(136)
Occupancy	(176)	(30)	(206)
Other	(36)	(28)	(64)
Total Operating Disbursements	(2,584)	(102)	(2,686)
Non-Operating Receipts & Disbursements			
Interim Financing (Repayment)	(211)	-	(211)
Professional Fees	(1,429)	(529)	(1,958)
Total Disbursements	(4,224)	(631)	(4,855)
Net Cash Flow	1,935	1,711	3,646
Opening Cash Balance	-	1,935	-
Ending Cash	\$ 1,935	\$ 3,646	\$ 3,646

60. The Fifth Cash Flow Statement is based on the following assumptions:

- a. lien determination notices with respect to the MD of Bonnyville and EllisDon projects were issued by the Monitor on July 17, 2020 and August 20, 2020, respectively. The notice period for lien claimants of the MD of Bonnyville and EllisDon projects to dispute the Monitor's lien determination has now expired, with two parties having filed disputes. Those applications are scheduled to be heard on October 22, 2020. The Fifth Cash Flow Statement includes the release of the approximately \$2.0 million to JMB in holdbacks related to the EllisDon and MD of Bonnyville projects based on the Monitor's determinations, of which approximately \$1.7 million will be subject to the decisions of this Honourable Court;
- b. receipts related to the sale of equipment to the Equipment Offers are expected to be received by the week ending October 16, 2020;
- c. operating disbursements relate primarily to ordinary course payments to fund payroll for the limited amount of staff remaining, basic office needs, insurance, benefits and occupancy costs; and
- d. professional fees are forecast to be approximately \$529,000 during the Forecast Period and include accrued and current fees for the Applicants' legal counsel, the Monitor, the Monitor's legal counsel, certain contract executives of JMB and the Sales Agent's monthly work fee.

61. Overall, the Applicants are forecasting to achieve a net cash flow of approximately \$1.7 million during the Forecast Period and have a remaining cash balance of approximately \$3.6 million as at October 30, 2020.

STAY EXTENSION

62. The Monitor has considered JMB's application to extend the Stay of Proceedings and has the following comments:

- a. the proposed extension will provide the Applicants and the Monitor with time to complete the transactions contemplated by the SAVOs, resolve lien determinations and address other remaining restructuring matters;
- b. the Fifth Cash Flow Statement forecasts that the Applicants have available liquidity during the period of the proposed extension;
- c. the Monitor has been advised that certain stakeholders, including the senior secured lenders, are supportive of the proposed extension;
- d. the Applicants are acting in good faith and with due diligence;
- e. the Applicants have sufficient liquidity to fund near term operating costs; and
- f. JMB's prospects of effecting a viable restructuring will be enhanced by an extension of the Stay of Proceedings until October 30, 2020.

MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

63. The transactions contemplated by the SAVOs, RVO and Plan will allow the Applicants to transition the business to a recapitalized ownership structure with the support of the senior secured lenders.
64. The Applicants will require additional time to complete the transactions, address remaining restructuring matters and conclude the CCAA Proceedings.
65. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the following orders:
 - a. the Sandhill SAVO;
 - b. the McDonald SAVO #2;

- c. the Mantle SAVO;
- d. the Assignment Order;
- e. the RVO;
- f. the Sanction Order; and
- g. the Extension Order.

All of which is respectfully submitted this 30th day of September, 2020.

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



Deryck Helkaa
Senior Managing Director



Tom Powell
Senior Managing Director

Appendix A

Plan of Arrangement dated September 29, 2020

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

Clerk's Stamp

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. AND MANTLE MATERIALS GROUP, LTD.

DOCUMENT **PLAN OF ARRANGEMENT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attn: **Tom Cumming/Caireen E. Hanert/Alex Matthews**

Phone: 403.298.1938/403.298.1992/403.298.1018

Fax: 403.263.9193

File No.: A163514

PLAN OF ARRANGEMENT

WHEREAS:

- A. JMB Crushing Systems Inc. ("**JMB**") is a corporation incorporated under the *Business Corporations Act*, SBC 2002, c 57, as amended (the "**BC BCA**"). All of the Class A Common Shares in JMB are owned by Canadian Aggregate Resources Corporation ("**CARC**"), a corporation incorporated under the laws of the State of Delaware. All of the Class B Common Shares in JMB are owned by J Buck and Sons Inc. ("**JBAS**"). JMB owns all of the shares in 2161889 Alberta Ltd. ("**216**"), a corporation incorporated under the laws of Alberta, and in Eastside Rock Products Inc. ("**Eastside**"), a corporation incorporated under the laws of the State of Washington.
- B. The primary secured creditors of JMB and 216 are 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**"), each of whom have Security Interests over all of the undertaking, property and assets of JMB, 216 and Eastside.
- C. The Security Interests in favour of ATB and Fiera rank in priority to any other Creditors of JMB and 216, other than certain PMSIs in respect of specific PMSI Property.
- D. JMB and 216 commenced proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**") and obtained an initial order of the Court pronounced by the Honourable Madam Justice Eidsvik on May 1, 2020 (the "**Filing Date**") which, among other things, appointed the Monitor and stayed all proceedings against JMB and 216, which initial order was amended and restated by a further order of Honourable Madam Justice Eidsvik pronounced on May 11, 2020 (the initial order, as amended, being the "**Initial Order**") under which the initial stay of proceedings was extended, a sale and investment solicitation process (the "**SISP**") was approved and Sequeira Partners was appointed as sale advisor (the "**Sale Advisor**") under the SISP.
- E. Mantle Materials Group, Ltd. ("**Mantle**"), formerly 1257568 B.C. Ltd., is a corporation incorporated under the BC BCA. RLF Canada Holdings Limited ("**RLF Holdings**"), a corporation incorporated under the laws of the State of Colorado, is the sole shareholder of all issued and outstanding shares of Mantle. Both CARC and RLF Holdings are wholly owned subsidiaries of Resource Land Fund V LP, a US private equity fund.
- F. On July 20, 2020, Mantle submitted a Phase 2 Bid (as defined in the SISP) to the Sale Advisor and Monitor pursuant to which Mantle would purchase certain assets of JMB and 216 and would assume certain liabilities of JMB. The Monitor negotiated with Fiera and ATB in order to obtain their support for a transaction with Mantle and in the last week of August, 2020, and with Mantle to revise the Phase 2 Bid.
- G. With the consent of the Monitor and the concurrence of Fiera and ATB, Mantle, JMB and 216 then entered into an asset purchase agreement dated September 27, 2020 (the "**APA**").
- H. The purchase and sale transaction contemplated by the APA (the "**Purchase and Sale**

Transaction) is conditional upon JMB and Mantle submitting this joint plan of arrangement under the BC BCA and the CCAA (as amended, modified or supplemented from time to time, the **“Plan”**) pursuant to which: (1) the Class B Common Shares owned by JBAS will be redeemed and cancelled without consideration and the class of Class B Common Shares, the class of Class C Common Shares and any class of other securities issued by JMB will be terminated; (2) the Class A Common Shares owned by CARC will be transferred to RLF Holdings; (3) Mantle shall assume the ATB Assumed Debt, the Fiera Assumed Debt and the Assumed Liabilities in partial payment of the Purchase Price; and (4) effective upon the occurrence of the Non-Recourse Event, ATB shall cease to have recourse against JMB for the Remaining ATB Debt and Fiera shall cease to have recourse against JMB for the Remaining Fiera Debt.

- I. The Monitor has requested that all Secured Creditors other than ATB and Fiera that have first ranking Security Interests in personal property of JMB take possession of and realize upon such personal property and account to JMB, the Monitor and Fiera in respect of the proceeds of sale thereof.
- J. The Monitor has determined that there will be insufficient proceeds arising from the sale of the assets of JMB and 216 pursuant to the APA, other sale transactions under the SISF, and any other anticipated sales, dispositions or collections during the CCAA to repay the Remaining ATB Debt or the Remaining Fiera Debt, and therefore that there will be no proceeds available to pay any of the ordinary unsecured Liabilities owing to unsecured creditors of JMB and 216 that was owing as of the Filing Date.

NOW THEREFORE JMB and Mantle hereby propose and present this Plan under and pursuant to the CCAA and the BC BCA:

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following capitalized terms will have the meanings set out below:

- (a) **“11.3 Order”** is defined in the APA.
- (b) **“216”** is defined in Recital A.
- (c) **“Acquired Assets”** means all of the right, title, benefit, estate and interest of JMB and 216 in and to certain assets to be acquired by Mantle under and pursuant to the APA.
- (d) **“Acquired Tranche B Inventory”** is defined in the APA.
- (e) **“Acquisition Closing”** means the completion of the Purchase and Sale Transaction.
- (f) **“Affected Claim”** mean the ATB Indebtedness, the Fiera Indebtedness and any Liabilities owing to any other Affected Creditor secured by a Lien ranking in priority to any other Lien attaching to Acquired Assets.

- (g) **“Affected Creditor”** means any Secured Creditor that has a Lien attaching to some or all of the Acquired Assets that ranks in priority to any other Lien attaching to such Acquired Assets, including to the Security Interests in favour of ATB and Fiera.
- (h) **“Aggregate”** means aggregates including granular base course gravels, asphalt pavement aggregates, concrete and weeping tile rock, sand and other aggregates.
- (i) **“Aggregate Pit”** means a pit from which Aggregate is extracted and other infrastructure located on lands subject to an Aggregate Pit Agreement.
- (j) **“Aggregate Pit Agreement”** is defined in the Plan.
- (k) **“Amended Articles”** means the amended articles of JMB, reflecting the alterations to the Original Articles as provided for in this Plan, substantially in the form attached as **Schedule “A”**.
- (l) **“Applicable Law”** means, with respect to any Person, property, transaction, event, business or other matter, any federal, state, provincial, local, domestic or foreign constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Permit, order or other requirement of any Governmental Authority whether or not having the force of law relating or applicable to such Person, property, transaction, event, business or other matter.
- (m) **“APA”** is defined in Recital G.
- (n) **“Assumed Liabilities”** means the Liabilities of JMB that Mantle assumes in partial payment of the purchase price for the Acquired Assets pursuant to section 2.2 of the APA.
- (o) **“ATB”** is defined in Recital B.
- (p) **“ATB Agreement”** means an agreement between ATB and Mantle with respect to the ATB Assumed Debt.
- (q) **“ATB Assumed Debt”** means that portion of the ATB Indebtedness that Mantle becomes liable for pursuant to this Plan and which is subject to the terms and provisions of the ATB Agreement.
- (r) **“ATB Indebtedness”** means any Liabilities which immediately prior to Acquisition Closing and Plan Implementation are owing by JMB to ATB.
- (s) **“ATB Security Documents”** means the agreements, indentures and other documents granted by JMB to ATB which create Security Interests in favour of ATB.
- (t) **“BC BCA”** is defined in Recital A.

- (u) **“Business”** means business carried on by JMB specifically utilizing the Acquired Assets including the operation of Aggregate Pits and the extraction and sale of Aggregates therefrom.
- (v) **“Business Day”** means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.
- (w) **“CARC”** is defined in Recital A.
- (x) **“CCAA”** is defined in Recital D.
- (y) **“CCAA Proceedings”** means the proceedings initiated by JMB and 216 with the Court pursuant to an originating application under the CCAA.
- (z) **“Class A Common Shares”** means the Class A common shares in the authorized share structure of JMB with the special rights and restrictions set out in Article 26 of the Original Articles.
- (aa) **“Class A Shareholder”** means a Person that legally or beneficially has any interest in any issued and outstanding Class A Common Shares.
- (bb) **“Class B Common Shares”** means the Class B common shares in the authorized share structure of JMB with the special rights and restrictions set out in Article 27 of the Original Articles.
- (cc) **“Class B Shareholder”** means a Person that legally or beneficially has any interest in any issued and outstanding Class B Common Shares.
- (dd) **“Class C Common Shares”** means the Class C common shares in the authorized share structure of JMB with the special rights and restrictions set out in Article 28 of the Original Articles.
- (ee) **“Class C Shareholder”** means a Person that legally or beneficially has any interest in any issued and outstanding Class C Common Shares.
- (ff) **“Court”** means the Alberta Court of Queen’s Bench presiding over the CCAA Proceedings or any appeals court therefrom.
- (gg) **“Creditor”** means any Person to whom JMB owes, is liable for or is required to pay or perform Liabilities.
- (hh) **“Creditors’ Meeting”** means a meeting of the Affected Creditors to be called and held for the purpose of considering and voting upon this Plan.
- (ii) **“Designated Permit”** means a Permit issued to JMB that is included in the Acquired Assets, but cannot be transferred to Mantle prior to the Plan Implementation, which Permit Mantle elects by written notice to JMB and the Monitor that JMB will continue to have an interest in such Permit notwithstanding the SAVO.
- (jj) **“Eastside”** is defined in Recital A.

- (kk) **“Effective Time”** means the effective time at which Plan Implementation occurs on the Plan Implementation Date or such other time on such date as the Vendors, Mantle and the Monitor agree.
- (ll) **“Existing Shareholders”** means the Class A Shareholders, the Class B Shareholders, the Class C Shareholders, and the Other Security Holders, and **“Existing Shareholder”** means any one of them.
- (mm) **“Existing Shares”** means the Class A Common Shares, the Class B Common Shares, the Class C Shareholders, and Other Securities, if any, and **“Existing Share”** means any one of them.
- (nn) **“Fiera”** is defined in Recital B.
- (oo) **“Fiera Assumed Debt”** means that portion of the Fiera Indebtedness that Mantle becomes liable for pursuant to this Plan and which is subject to the terms and provisions of the Fiera Exit Loan Agreement.
- (pp) **“Fiera Exit Loan Agreement”** means a loan agreement between Fiera and Mantle in respect of the Fiera Assumed Debt.
- (qq) **“Fiera Indebtedness”** means any Liabilities which immediately prior to the Acquisition Closing or Plan Implementation are owing by JMB to Fiera.
- (rr) **“Fiera Security Documents”** means the agreements, indentures and other documents granted by JMB to Fiera which create Security Interests in favour of Fiera.
- (ss) **“Filing Date”** is defined in Recital D.
- (tt) **“Fund VI”** is defined in Recital B.
- (uu) **“Governmental Authority”** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- (vv) **“Initial Order”** is defined in Recital D.
- (ww) **“JBAS”** is defined in Recital A.
- (xx) **“JMB”** is defined in Recital A.
- (yy) **“JMB Assets”** means all of the undertaking, property and assets of JMB immediately prior to the Acquisition Closing and Plan Implementation, including the Acquired Assets.

- (zz) “**Liabilities**” means debts, liabilities and obligations, whether accrued or fixed, liquidated or unliquidated, absolute or contingent, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law, under any agreement or contract to which a Person is party or otherwise, and “**Liability**” means any one of the Liabilities.
- (aaa) “**Lien**” means any lien, hypothec (including legal hypothecs), Security Interest, encumbrance, servitude, easement, encroachment, right-of-way, restrictive covenant on real or immovable property, contingent rights (including options and rights of first refusal), adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same.
- (bbb) “**Mantle**” is defined in Recital E.
- (ccc) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as Court appointed monitor of JMB and 216 in the CCAA Proceedings.
- (ddd) “**Notice of Alteration**” means the notice of alteration to be filed with the Registrar pursuant to section 259(4) of the BC BCA to give effect to the alterations to the Notice of Articles and Original Articles as contemplated by this Plan, which Notice of Alteration is substantially in the form attached as **Schedule “B”**.
- (eee) “**Notice of Articles**” means the notice of articles issued on December 14, 2018 by the Registrar under the BC BCA.
- (fff) “**Non-Recourse Event**” is defined in Section 4.2.
- (ggg) “**Order**” means any order of a Court in the CCAA Proceedings.
- (hhh) “**Original Articles**” mean the articles of JMB dated November 13, 2018 and executed by CARC.
- (iii) “**Other Security**” means any share or other security in the capital of or issued by JMB other than the Class A Common Shares, the Class B Common Shares or the Class C Common Shares, and “**Other Securities**” means more than one.
- (jjj) “**Other Security Holder**” means any Person with any interest in any Other Securities.
- (kkk) “**Permit**” means any permit, license, approval, consent, authorization, registration, or certificate issued by and conservation and reclamation business plans approved by a Governmental Authority including registrations issued by Alberta Environment and Parks under Alberta’s Code of Practice for Pits.
- (III) “**Person**” will be broadly interpreted and includes: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an

unincorporated organization or any other association, organization or entity of any kind; and (iii) a Governmental Authority.

- (mmm) **“Plan”** is defined in Recital H.
- (nnn) **“Plan Implementation”** means the fulfillment, satisfaction or waiver of the conditions set out in Section 7.1 and the occurrence or effecting of the sequential steps set out in Section 5.1.
- (ooo) **“Plan Implementation Date”** means the date on which Plan Implementation occurs.
- (ppp) **“PMSI”** means any Security Interest attaching to PMSI Property which constitutes a purchase-money security interest contemplated under PPS Legislation or any lease of PMSI Property to JMB.
- (qqq) **“PMSI Holder”** means any Person holding a PMSI as secured party or lessor or whose interest therein is derived therefrom.
- (rrr) **“PMSI Property”** means any tangible personal property contemplated by PPS Legislation and any proceeds to which a PMSI attaches.
- (sss) **“PPS Legislation”** means the Applicable Laws providing for the creation of Security Interests in personal property, including the *Personal Property Security Act*, RSA 2000, c. P-7, as amended.
- (ttt) **“Proceeds”** has the meaning given to that term in the PPS Legislation.
- (uuu) **“Proxy”** means a form of proxy and voting letter pursuant to which an Affected Creditor may vote upon the Plan for the purposes of section 6 of the CCAA in advance or *in lieu* of a Creditors’ Meeting or appoint a proxyholder to attend and vote at a Creditors Meeting, which proxy and voting letter shall be substantially in the form attached as **Schedule “C”**, and **“Proxies”** means more than one Proxy.
- (vvv) **“Purchase and Sale Transaction”** is defined in Recital H.
- (www) **“Purchase Price”** is defined in the APA.
- (xxx) **“Registrar”** means the person appointed as the Registrar of Companies under section 400 of the BC BCA.
- (yyy) **“Remaining ATB Debt”** means the ATB Indebtedness in excess of the ATB Assumed Debt.
- (zzz) **“Remaining Fiera Debt”** means the Fiera Indebtedness in excess of the Fiera Assumed Debt.
- (aaaa) **“Remaining JMB Assets”** means any property or assets of JMB which, as of the date the Reverse Vesting Order is pronounced, have not been subject to the APA or any agreement of purchase and sale with a third party pursuant to the

SISP, provided that to the extent that there are any Designated Permits, they shall be excluded from the Remaining JMB Assets.

- (bbbb) “**Remaining JMB Liabilities**” means any Liabilities of JMB other than the Assumed Liabilities.
- (cccc) “**Required Majority**” means a majority in number of the Affected Creditors who represent at least two-thirds in value of the Affected Claims.
- (dddd) “**Reverse Vesting Order**” means an Order vesting all Remaining JMB Assets and Remaining JMB Liabilities in 216, with the effect that:
 - (i) JMB shall have no further obligations or liability in respect of the Remaining JMB Liabilities, other than the Remaining ATB Debt and the Remaining Fiera Debt, and JMB shall have no further right, title or interest in the Remaining JMB Assets; and
 - (ii) 216 shall have all the right, title and interest of JMB in and to the Remaining JMB Assets and 216 shall be liable to the creditors of JMB for the Remaining JMB Liabilities.
- (eeee) “**RLF Holdings**” is defined in Recital E.
- (ffff) “**Sale Advisor**” is defined in Recital D.
- (gggg) “**Sanction Order**” means the Order under section 6 of the CCAA sanctioning this Plan.
- (hhhh) “**SAVO**” is defined in the APA.
- (iiii) “**Secured Creditor**” means a Creditor to whom JMB owes Liabilities the payment and performance of which is secured by a Lien.
- (jjjj) “**Security Interest**” means any mortgage, charge, security interest, lien or other charge or leasehold interest of a lessor of property.
- (kkkk) “**SISP**” is defined in Recital D.
- (llll) “**Vendors**” means, collectively, JMB and 216.
- (mmmm) “**Unaffected Claims**” means the Liabilities of JMB to Persons other than an Affected Creditor.
- (nnnn) “**Unaffected Creditor**” means a Creditor that holds an Unaffected Claim.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or

substantially on such terms and conditions;

- (b) any reference in this Plan to an Order or an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented;
- (c) the division of this Plan into Articles and Sections are for convenience of reference only and do not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;
- (d) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (e) the words “**includes**” and “**including**” and similar terms of inclusion will not, unless expressly modified by the words “**only**” or “**solely**”, be construed as terms of limitation, but rather will mean “**includes but is not limited to**” and “**including but not limited to**”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (f) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Calgary, Alberta (Mountain Time) and any reference to an event occurring on a Business Day will mean prior to 5:00 p.m. on such Business Day;
- (g) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (h) unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Government Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (i) references to a specific Recital, Article or Section will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms “**this Plan**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions will be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and
- (j) the word “**or**” is not exclusive.

1.3 Successors and Assigns

This Plan will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Plan.

1.4 Currency

For the purposes of this Plan, all amounts will be denominated in Canadian dollars and all payments and distributions to be made in cash will be made in Canadian dollars. Any claims or other amounts denominated in a foreign currency will be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

1.5 Governing Law

This Plan will be governed by and construed in accordance with the laws of British Columbia (to the extent that the BC BCA is applicable), the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its provisions will be subject to the jurisdiction of the Court acting pursuant to the CCAA.

1.6 Schedules

The following Schedules are attached to, incorporated by reference into and form part of this Plan:

Schedule "A"	Amended Articles
Schedule "B"	Notice of Alteration
Schedule "C"	Form of Proxy

ARTICLE 2 – PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of this Plan is:

- (a) to enable Mantle to continue the Business as a going concern from and after the Plan Implementation Date;
- (b) to provide for the arrangement of the ATB Indebtedness such that Mantle is deemed to assume the ATB Assumed Debt and, upon the occurrence of the Non-Recourse Event, ATB shall cease to have any right, remedy or recourse for the Remaining ATB Debt as against JMB, but in any event without prejudice to any rights, remedies or recourses of ATB against 216 for the Remaining ATB Debt;
- (c) to provide for the arrangement of the Fiera Indebtedness such that Mantle is deemed to assume the Fiera Assumed Debt and, upon the occurrence of the Non-Recourse Event, Fiera shall cease to have right, remedy or recourse for the

Remaining Fiera Debt as against JMB, but without prejudice to any rights, remedies or recourses of Fiera as against 216 for the Remaining Fiera Debt;

- (d) to redeem and cancel all issued and outstanding Class B Common Shares, Class C Common Shares and Other Securities for no consideration, such that none of the shares of those classes of shares are allotted or issued;
- (e) to terminate the classes of Class B Common Shares and the Class C Common Shares from the authorized share structure of JMB and terminate any classes of any Other Securities;
- (f) to alter the Original Articles substantially in the form set out on Schedule "A";
- (g) to alter the Notice of Articles to reflect the elimination of the Class B Common Shares and the Class C Common Shares in the authorized share structure of JMB; and
- (h) to effect the transfer by CARC of the Class A Common Shares registered in its name, being the sole issued and outstanding Class A Common Shares, to RLF Holdings.

This Plan is put forward in the expectation that the Persons with an economic interest in JMB, when considered as a whole, will derive a greater benefit from the implementation of this Plan and the continuation of the Business as a going concern than would result from a bankruptcy, receivership or liquidation of JMB.

2.2 Persons Affected by this Plan

This Plan affects:

- (a) the Affected Creditors through the arrangement of the Affected Claims as against JMB only;
- (b) JBAS through the redemption and cancellation of the Class B Common Shares;
- (c) CARC through the transfer of its Class A Common Shares to RLF Holdings; and
- (d) JMB, 216 and Mantle as applicants of the Plan.

2.3 Unaffected Creditors and Existing Shareholders

- (a) The Unaffected Creditors are not affected by this Plan for the following reasons:
 - (i) pursuant to the Reverse Vesting Order, the Remaining JMB Liabilities and the Remaining JMB Assets will vest in 216 and the rights, remedies and recourses of the Unaffected Creditors as against any Remaining JMB Assets will continue and be uncompromised and unaffected by this Plan; and
 - (ii) each PMSI Holder is being permitted to take possession of the PMSI Property subject to its PMSI and to exercise all of its rights, remedies and recourses as against such PMSI Property, subject to its duty to account to

JMB, the Monitor and Fiera, and as a result of the Reverse Vesting Order shall have a claim against 216 and the Remaining JMB Assets in respect of any Liabilities remaining owing to it following its disposition of such PMSI Property.

- (b) Because there are insufficient funds or property to repay the ATB Indebtedness and Fiera Indebtedness in full, or to repay the Remaining JMB Liabilities, the Existing Shareholders are not entitled to vote on this Plan.

ARTICLE 3 – CLASSIFICATION, APPROVAL AND RELATED MATTERS

3.1 Claims Procedure

The Monitor has confirmed the validity and quantum of the Affected Claims of the Affected Creditors and therefore the Affected Creditors shall not be obliged to take any additional steps for the purposes of this Plan and voting thereon or agreeing thereto under sections 5 and 6 of the CCAA and for the purposes of receiving the benefit of this Plan.

3.2 Corporate Actions

- (a) The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of JMB will occur and be effective as of Plan Implementation, and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by the directors of JMB or the Existing Shareholders. All necessary approvals to take actions will be deemed to have been obtained from the directors of JMB and the Existing Shareholders including the deemed passing by any class of Existing Shareholders of any resolution or special resolution.
- (b) The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of Mantle have been authorized by all necessary resolutions of its directors and sole shareholder and will be authorized and approved by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by the shareholders or directors or officers of Mantle.

3.3 SAVO and Reverse Vesting Order

Pursuant to the APA, the Monitor, with the support and assistance of the Vendors and Mantle, will apply to the Court for the SAVO and the Reverse Vesting Order.

3.4 Class of Creditors entitled to Vote upon this Plan

The Affected Creditors will constitute a single class for the purposes of considering and voting upon this Plan. The Affected Creditors will be entitled to vote their Affected Claims in person at a Creditors' Meeting or by Proxy.

3.5 Creditors' Meeting

- (a) In order for this Plan to be approved by the Affected Creditors, the Plan must be agreed to by the Required Majority of Affected Creditors voting in person at a Creditors Meeting or by Proxy.
- (b) In the event that all of the Affected Creditors deliver Proxies to the Monitor in which they each vote in favour of this Plan the Monitor may dispense with holding a Creditors' Meeting and such Proxies shall be treated for all purposes as votes of such Affected Creditors agreeing to this Plan pursuant to section 6(1) of the CCAA.
- (c) For greater certainty, no Unaffected Creditor in respect of an Unaffected Claim and no Existing Shareholder in respect of its Existing Shares will be entitled to vote on this Plan or attend any Creditors' Meeting or any other meeting in respect of this Plan.

ARTICLE 4 – TERMS OF RESTRUCTURING

4.1 Arrangement of Affected Claims of Affected Creditors

Upon Plan Implementation, the Affected Claims of the Affected Creditors shall be arranged as follows:

- (a) Mantle shall be deemed to have assumed and become liable for the ATB Assumed Debt and the rights and obligations of Mantle and ATB in respect of the ATB Assumed Debt shall be governed by the terms of the ATB Agreement;
- (b) the transfer to and vesting in 216 of the Remaining ATB Debt pursuant to the Reverse Vesting Order shall be without prejudice to the continuing liability of JMB for the Remaining ATB Debt in accordance with this Plan and the Reverse Vesting Order, and the Security Interests created by the ATB Security Documents shall severally attach to:
 - (i) the Acquired Tranche B Inventory and its Proceeds as security for the ATB Assumed Debt, but upon repayment in full of the ATB Assumed Debt in accordance with the ATB Agreement, such Security Interests shall cease to attach to any property or assets of JMB or Mantle; and
 - (ii) all of the property and assets of JMB as security for the Remaining ATB Debt, but upon the occurrence of the Non-Recourse Event, shall cease to attach to any such property or assets of JMB or, for greater certainty, any property or assets of Mantle.

The Reverse Vesting Order shall not affect the nature or priority of the ATB Assumed Debt, the Remaining ATB Debt or the Security Interests created by the ATB Security Documents, which Security Interests shall continue to be of the same nature and have the same priority as they had immediately prior to the Reverse Vesting Order becoming effective and the Plan Implementation being completed;

- (c) Mantle shall be deemed to have assumed and become liable for the Fiera Assumed Debt and the rights and obligations of Mantle and Fiera shall be governed by the terms of the Fiera Exit Loan Agreement;
- (d) the transfer to and vesting in 216 of the Remaining Fiera Debt pursuant to the Reverse Vesting Order shall be without prejudice to the continuing liability of JMB for the Remaining Fiera Debt in accordance with this Plan and the Reverse Vesting Order, the Security Interests created by the Fiera Security Documents shall severally attach to:
 - (i) all of the property and assets of JMB as security for the Fiera Assumed Debt; and
 - (ii) all of the property and assets of JMB and 216 as security for the Remaining Fiera Debt, but upon the occurrence of the Non-Recourse Event, shall cease to attach to any such property or assets of JMB or, for greater certainty, any property or assets of Mantle as security for such Remaining Fiera Debt,

and the Reverse Vesting Order shall not affect the nature or priority of the Fiera Assumed Debt, the Remaining Fiera Debt or the Security Interests created by the Fiera Security Documents, which Security Interests shall continue to be of the same nature and have the same priority as they had immediately prior to the Reverse Vesting Order becoming effective and the Plan Implementation being completed; and

- (e) the nature of the Remaining ATB Debt and the Remaining Fiera Debt, including their secured status, shall not be affected or altered as a result of their transfer to and vesting in 216, and the indebtedness, liabilities and obligations of 216 under the Remaining ATB Debt and Remaining Fiera Debt shall not be limited, lessened or extinguished as a result of anything in this Plan or the limitation of recourse against JMB as a result of the occurrence of the Non-Recourse Event.

4.2 Effect of Amalgamation

In the event that following Plan Implementation JMB and Mantle amalgamate, effective immediately prior to such amalgamation becoming effective:

- (a) ATB shall cease to have recourse against JMB for the Remaining ATB Debt, but without prejudice to the continuing liability of 216 for the Remaining ATB Debt;
- (b) the Security Interests created by the ATB Security Documents that secure the Remaining ATB Debt shall cease to attach to any property or assets of JMB or, for greater certainty Mantle, but without prejudice to the attachment of Security Interests created by the ATB Security Documents to the Acquired Tranche B Inventory and their Proceeds to secure the ATB Assumed Debt;
- (c) Fiera shall cease to have recourse against JMB for the Remaining Fiera Debt, but without prejudice to the continuing liability of 216 for the Remaining Fiera Debt; and

- (d) the Security Interests created by the Fiera Security Documents that secure the Remaining Fiera Debt shall cease to attach to any property or assets of JMB or, for greater certainty Mantle, but without prejudice to the attachment of Security Interests created by the Fiera Security Documents to secure the Fiera Assumed Debt,

(such amalgamation, and the termination of recourse against JMB, being the “**Non-Recourse Event**”).

4.3 Crown Priority Claims

Within six (6) months after Plan Implementation, JMB will pay in full to Her Majesty in Right of Canada or any province any Liabilities of a kind that could be subject to a demand under the statutory provision referred to in section 6(3) of the CCAA that was outstanding on the Filing Date which has not been paid by Plan Implementation.

4.4 Existing Shareholders

- (a) No Existing Shareholder in respect of its Existing Shares will be entitled to receive any consideration or distributions under this Plan, including from the redemption, cancellation and termination of the Class B Common Shares, the Class C Common Shares and the Other Securities, or for the transfer of the Class A Common Shares to RLF Holdings.
- (b) Effective on Plan Implementation:
 - (i) the issued and outstanding Class B Common Shares will be deemed to be redeemed and to be fully, finally and irrevocably cancelled and terminated by JMB, no consideration shall be payable by JMB or any other Person hereunder or otherwise to the Class B Shareholders or any other Person in respect of such redemption, cancellation and termination, and any and all claims of the Class B Shareholders in respect of or arising from the Class B Common Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred;
 - (ii) any issued and outstanding Class C Common Shares will be deemed to be redemption and to be fully, finally and irrevocably cancelled and terminated by JMB, no consideration shall be payable by JMB or any other Person hereunder or otherwise to the Class C Shareholders in respect of such redemption, cancellation and termination, and any and all claims of the Class C Shareholders in respect of or arising from any Class C Common Shares will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred;
 - (iii) any issued and outstanding Other Securities will be deemed to be redemption and to be fully, finally and irrevocably cancelled and terminated by JMB, no consideration shall be payable by JMB or any other Person hereunder or otherwise to the Other Security Holders in respect of such redemption, cancellation and termination, and any and all claims of the Other Security Holders in respect of or arising from the

Other Securities will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred; and

- (iv) CARC and any other Class A Shareholder will be deemed to have transferred all of their Class A Common Shares to RLF Holdings such that, upon completion of such transfer, RLF Holdings shall be the sole Existing Shareholder of JMB.

4.5 Share Structure

Effective upon Plan Implementation:

- (a) The Original Articles are altered by (i) deleting in their entirety Articles 27 and 28 of the Original Articles, and (ii) altering Article 26 of the Original Articles to read as follows:

“ARTICLE 26 AUTHORIZED SHARE STRUCTURE

Without restricting the rights of the holders of Class A Common Shares provided under the Business Corporations Act, the Class A Common Shares will have the following attributes:

26.1 Voting Rights. The holders of the Class A Common Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have one vote for each Class A Common Share held, at all meetings of the shareholders of the Company, except for meetings at which only of another specified class or series of shares of the Company (if and as applicable) are entitled to vote separately as a class or series.

26.2 Dividends. The holders of the Class A Common Shares shall be entitled to receive dividends and the Company shall pay dividends, as and when declared by the Board of Directors of the Company in their absolute discretion, in such amount and in such form as the Board of Directors of the Company may from time to time determine, and all dividends which the Board of Directors of the Company may declare on the Class A Common Shares shall be declared and paid in equal amounts per share on all Class A Common Shares at the time outstanding.

26.3 Dissolution. In the event of the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Class A Common Shares shall be entitled to participate equally in the distribution of the Company's assets pursuant to the liquidation, dissolution or winding up of the Company.”

- (b) the Amended Articles are deemed to be approved by the Existing Shareholders and are hereby adopted and implemented;
- (c) the alterations to the Notice of Articles as set out in the Notice of Alteration is deemed to be approved by the Existing Shareholders and JMB is authorized and directed to file all documents and orders necessary or desirable with the Registrar;
- (d) JMB shall have as its notice of articles the amended notice of articles issued by the Registrar, implementing the terms of this Plan;
- (e) the Class A Common Shares registered in the name of CARC in the central securities register of JMB, being the sole issued and outstanding Class A Common Shares, are deemed to be transferred by CARC to RLF Holdings, the directors of JMB are deemed to have approved such transfer, and JMB is authorized and directed to record such transfer in its central securities register; and
- (f) JMB is authorized and directed to record the redemption and cancellation of the Class B Common Shares, the Class C Common Shares and the Other Securities, if any, and the elimination of such classes of Class B Common Shares, Class C Common Shares and Other Securities.

ARTICLE 5 – PLAN IMPLEMENTATION MECHANICS

5.1 Implementation Steps

Upon completing the deliveries contemplated by this Plan, and the satisfaction, fulfillment or waiver of the conditions set out in Section 7.1, the following steps to occur, be taken and be effected in order to implement this Plan will occur and be taken and effected, and be deemed to have occurred and been taken and effected, immediately in the following sequence and order, without any further act or formality, on the Plan Implementation Date and beginning at the Effective Time:

- (a) the vesting of the Acquired Assets in Mantle pursuant to paragraph 4 of the SAVO, the assumption by Mantle of the ATB Assumed Debt and Fiera Assumed Debt in partial payment of the Purchase Price pursuant to this Plan, and the assignment of the Restricted Contracts pursuant to the 11.3 Order shall be simultaneously effective and the Acquisition Closing and Plan Implementation shall be deemed to be completed;
- (b) the Reverse Vesting Order shall become effective;
- (c) the Amended Articles shall be deemed to be approved and adopted as the articles of JMB and JMB shall file the Notice of Alteration with the Registrar, whereupon JMB shall have, as its notice of articles, the notice of articles issued by the Registrar as a result of the filing of the Notice of Alteration and the following shall be deemed to have simultaneously occurred:
 - (i) all Class B Common Shares shall have been redeemed, cancelled and terminated for no consideration, and any rights of the Class B

Shareholders under, pursuant to or arising from, the Class B Common Shares shall have been cancelled and extinguished;

- (ii) all Class C Common Shares shall have been redeemed, cancelled and terminated for no consideration, and any rights of the Class C Shareholders under, pursuant to or arising from, the Class C Common Shares shall have been cancelled and extinguished;
- (iii) all Other Securities shall have been redeemed, cancelled and terminated for no consideration, and any rights of any Other Security Holders under, pursuant to or arising from, the Other Securities shall have been cancelled and extinguished; and
- (iv) all Class A Common Shares shall have been transferred to RLF Holdings such that JMB will be a wholly-owned subsidiary of RLF Holdings.

5.2 JMB Corporate Minute Books

Upon Plan Implementation, the officers and directors of JMB are authorized and directed record in the minute books of JMB this Plan, the Sanction Order, the Amended Articles, the Notice of Alteration, the redemptions, the cancellations and extinguishments and the transfers contemplated by Section 5.1(c).

5.3 Designated Permits

Following Plan Implementation, JMB shall hold any Designated Permits in trust for and on behalf of Mantle as bare trustee, carry out any lawful directions of Mantle under and in connection with the Designated Permits, and at the request of Mantle take such steps as are necessary to surrender the Designated Permits in order to permit the issuance of replacement Permits to and in favour of Mantle. Mantle shall indemnify JMB for or in respect of any Liabilities that JMB may suffer or incur as a result of JMB acting as bare trustee in respect of the Designated Permits.

ARTICLE 6 – COURT SANCTION

6.1 Application for the Sanction Order

JMB and Mantle will promptly apply for the Sanction Order.

6.2 Sanction Order

The Sanction Order will be pursuant to the CCAA and BC BCA and, among other things:

- (a) declare that this Plan is fair and reasonable;
- (b) declare that any meeting or meetings of Class A Shareholders, Class B Shareholders, Class C Shareholders or Other Security Holders, whether together or separately, to consider and vote upon whether to accept or vote in favour of this Plan shall be dispensed with;

- (c) declare that JMB is authorized to alter its Notice of Articles as set out in the Notice of Alteration;
- (d) declare that the only Persons entitled to vote on whether to approve this Plan are the Affected Creditors;
- (e) declare that this Plan and all associated steps, transactions, arrangements, assignments and reorganizations effected hereby are approved, binding and effective as herein set out upon JMB, the Affected Creditors and the Existing Shareholders;
- (f) declare that the steps to occur, be taken and be effected on the Plan Implementation are deemed to occur, be taken and effected, and to be effective in the sequential order contemplated by Section 5.1 on Plan Implementation, beginning at the Effective Time;
- (g) declare that all Designated Permits will be and remain in full force and effect, unamended, as at Plan Implementation, and no Governmental Authority will on or following Plan Implementation terminate, rescind or refuse to renew in JMB or Mantle any Designated Permit, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of such Designated Permit or the Applicable Laws governing it by reason of:
 - (i) any event which occurred prior to, and not continuing after, Plan Implementation or which is or continues to be suspended or waived under this Plan, which would have entitled such Governmental Authority to enforce those rights or remedies;
 - (ii) JMB having sought or obtained relief under the CCAA or BC BCA or as part of this Plan;
 - (iii) any default or event of default arising as a result of the financial condition or insolvency of JMB;
 - (iv) the effect upon JMB of the completion of any of the transactions contemplated under this Plan; or
 - (v) any restructurings or reorganizations effected pursuant to this Plan;
- (h) declare that effective upon Plan Implementation, JMB shall cease to be an Applicant in the CCAA Proceedings, and JMB shall be released from the purview of the Initial Order and all other orders of this Court granted in respect of these CCAA Proceedings, save and except for the Sanction Order, the Reverse Vesting Order and the SAVO shall continue to apply to JMB in all respects;
- (i) authorize the Monitor to perform its functions and fulfil its obligations under this Plan and the Sanction Order in order to facilitate the implementation of this Plan; and

- (j) declare that JMB, Mantle, RLF Holdings, the Affected Creditors and the Monitor may apply to the Court for advice and direction in respect of any matter arising from or under this Plan.

ARTICLE 7 – CONDITIONS TO PLAN IMPLEMENTATION

7.1 Conditions to Plan Implementation

Plan Implementation will be conditional upon the fulfillment, satisfaction or waiver of the following conditions:

- (a) the Affected Creditors shall have agreed to this Plan in accordance with Section 3.5;
- (b) the Court will have granted the Sanction Order, the operation and effect of which will not have been stayed, reversed or amended, and all applicable appeal periods in respect of the Sanction Order will have expired and in the event of an appeal or application for leave to appeal, final determination will have been made by the applicable appellate Court; and
- (c) the conditions set out in Sections 5.1, 5.2 and 5.3 of the APA shall have been fulfilled, satisfied or waived in accordance with the APA.

7.2 Monitor's Certificate of Plan Implementation

- (a) Upon the satisfaction, fulfillment or waiver of the conditions set out in Section 7.1, the Monitor shall issue to JMB, Mantle, CARC, RLF Holdings and the Affected Creditors a certificate stating that such conditions have been satisfied, fulfilled and/or waived in accordance with this Plan and file such certificate with the Court.
- (b) Upon the completion of the Plan Implementation in accordance with Section 5.1, the Monitor shall issue to CARC, RLF Holdings and the Affected Creditors a certificate stating that Plan Implementation has occurred and is effective in accordance with this Plan and the Sanction Order and shall file such certificate with the Court.

ARTICLE 8 – GENERAL

8.1 Binding Effect

At the Effective Time:

- (a) this Plan will become effective;
- (b) the treatment of Existing Shareholders under this Plan will be final and binding for all purposes and enure to the benefit of JMB, Mantle, RLF Holdings and all Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) each Existing Shareholder will be deemed to have consented and agreed to all of the provisions of this Plan in its entirety; and
- (d) each Existing Shareholder will be deemed to have executed and delivered to JMB all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

8.2 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.3 Non-Consummation

If Plan Implementation does not occur by October 2, 2020, or such later period as agreed to in writing by Mantle and the Monitor, (a) this Plan will be null and void in all respects, and (b) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, will (i) constitute or be deemed to constitute a waiver or release of any claims by or against JMB or any other Person; (ii) prejudice in any manner the rights of JMB or any other Person in any further proceedings involving JMB; or (iii) constitute an admission of any sort by JMB or any other Person.

8.4 Modification of Plan

- (a) Prior to the Sanction Order being made, Mantle and JMB may amend, restate, modify and/or supplement this Plan with the prior consent of the Monitor and on notice to the Affected Creditors provided that any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court, and if such amendment, restatement, modification or supplement is made subsequent to the Affected Creditors voting to approve this Plan, any such amendment, restatement, modification or supplement that materially affects the rights and benefits of the Affected Creditors shall require the prior written consent of the Affected Creditors.
- (b) Subsequent to the Sanction Order being made:
 - (i) Mantle and JMB shall be permitted to make any amendment, restatement, modification or supplement to this Plan that does not materially alter any rights or benefits of the Affected Creditors under this Plan, and, in the opinion of JMB, Mantle and the Monitor, is of an administrative nature required to better give effect to Plan Implementation and the Sanction Order or to cure any errors, omissions or ambiguities; and
 - (ii) With respect to any amendment, restatement, modification or supplement to this Plan that is not within the scope of Section 8.4(b)(i), Mantle and JMB shall be permitted to make such amendment, restatement, modification or supplement with the consent in writing of the Affected Creditors and approval of the Court.

- (c) Any amendment, restatement, modification or supplement to this Plan which is made in accordance with this Section 8.4 and filed or, if applicable, approved by the Court will for all purposes form part of and incorporated into this Plan.

8.5 Severability of Plan Provisions

If, prior to the Plan Implementation Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, (a) JMB and Mantle, with the prior consent of the Monitor, may amend sever such term or provision from this Plan and proceed with Plan Implementation, or (b) JMB, Mantle or the Monitor may apply to the Court for advice and direction or to amend this Plan to make such term or provision or this Plan valid and enforceable to the maximum extent practicable, consistent with the purpose of the original term or provision. Notwithstanding, the foregoing, if Plan Implementation proceeds, the remaining the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by a term or provision being invalid, void or unenforceable.

8.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings and this Plan with respect to JMB and will not be responsible or liable for any claims against JMB or Mantle for any Liabilities of JMB.

8.7 Notices

Any notice of other communication to be delivered hereunder must be in writing and refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by a functionally equivalent form of electronic transmission addressed to the recipient as follows:

- (a) If to JMB:

JMB Crushing Systems Inc.
PO Box 6977
Bonnyville, Alberta T9N 2H4

Email: blakeelyea@jmbcrush.com
Attention: Blake M. Elyea, CPA, CGA, CIRP, LIT
Chief Restructuring Advisor

with a copy to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW
Calgary Alberta T2P 4K9

Attention: Tom Cumming
E-mail: tom.cumming@gowlingwlg.com

- (b) If to the Monitor:

FTI Consulting Canada Inc.

1000, 888-3rd Street SW
Bankers Hall, West Tower
Calgary, Alberta T2P 5C5

Attention: Deryck Helkaa
E-mail: deryck.helkaa@fticonsulting.com

with a copy to:

McCarthy Tétrault LLP
4000, 421 - 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Sean Collins
E-mail: scollins@mccarthy.ca

(c) If to Mantle:

Mantle Materials Group, Ltd.
1400 16th St, Suite 320
Denver, Colorado 80209

E-mail: Byron.Levkulich@RLHoldings.com
Attention: Byron Levkulich, CFA, CPA

with a copy to:

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW
Calgary Alberta T2P 4K9

Attention: Tom Cumming
E-mail: tom.cumming@gowlingwlg.com

or to such other address as any such party may from time to time notify the others in accordance with this Section. Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of being emailed or sent by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, emailed or sent before 5:00 p.m. on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

8.8 Further Assurances

Each of the Persons named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

DATED as of the 27th day of September, 2020.

Schedule "A"
Amended Articles

Incorporation number: BC1190335

JMB CRUSHING SYSTEMS INC.
(the "Company")

The Company has as its articles the following articles.

Full name and signature of director	Date of signing
_____	_____, 2020

JMB CRUSHING SYSTEMS INC.

	<u>Page</u>
ARTICLE 1 INTERPRETATION	3
ARTICLE 2 SHARES AND SHARE CERTIFICATES	3
ARTICLE 3 ISSUE OF SHARES	4
ARTICLE 4 SHARE REGISTERS	5
ARTICLE 5 SHARE TRANSFERS	6
ARTICLE 6 TRANSMISSION OF SHARES	7
ARTICLE 7 PURCHASE OF SHARES	7
ARTICLE 8 BORROWING POWERS	7
ARTICLE 9 ALTERATIONS	8
ARTICLE 10 MEETINGS OF SHAREHOLDERS	9
ARTICLE 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS	10
ARTICLE 12 VOTES OF SHAREHOLDERS	14
ARTICLE 13 DIRECTORS	17

ARTICLE 14 ELECTION AND REMOVAL OF DIRECTORS	19
ARTICLE 15 POWERS AND DUTIES OF DIRECTORS	21
ARTICLE 16 DISCLOSURE OF INTEREST OF DIRECTORS	21
ARTICLE 17 PROCEEDINGS OF DIRECTORS	22
ARTICLE 18 EXECUTIVE AND OTHER COMMITTEES	24
ARTICLE 19 OFFICERS	25
ARTICLE 20 INDEMNIFICATION	26
ARTICLE 21 DIVIDENDS	27
ARTICLE 22 DOCUMENTS, RECORDS AND REPORTS	28
ARTICLE 23 NOTICES	29
ARTICLE 24 SEAL AND EXECUTION OF DOCUMENTS	30
ARTICLE 25 PROHIBITIONS	31
ARTICLE 26 AUTHORIZED SHARE STRUCTURE	32

ARTICLE 1 INTERPRETATION

1.1 Definitions. In these Articles, unless the context otherwise requires:

- (a) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (b) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) “legal personal representative” means the personal or other legal representative of the shareholder;
- (d) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (e) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable.

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

ARTICLE 2 SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure. The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate. Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgement. Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgement of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders’ duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail. Any share certificate or non-transferable written acknowledgement of a shareholder’s right to obtain a share certificate may be sent to the

shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement. If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement. If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

- (a) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates. If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee. There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts. Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

ARTICLE 3 ISSUE OF SHARES

3.1 Directors Authorized. Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise

dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts. The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage. The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue. Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights. Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

ARTICLE 4 SHARE REGISTERS

4.1 Central Securities Register. As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register. The Company must not at any time close its central securities register.

ARTICLE 5 SHARE TRANSFERS

5.1 Registering Transfers. A transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Form of Instrument of Transfer. The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder. Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer. If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required. Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6 Transfer Fee. There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

ARTICLE 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death. In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative. The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

ARTICLE 7 PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares. Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

7.2 Purchase When Insolvent. The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares. If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

ARTICLE 8 BORROWING POWERS

8.1 Borrowing Powers. The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

ARTICLE 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure. Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions. Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name. The Company may by ordinary resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations. If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

ARTICLE 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings. Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting. If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders. The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders. The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.5 Record Date for Notice. The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;

- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting. The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice. The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.8 Notice of Special Business at Meetings of Shareholders. If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.9 Location of Meetings of Shareholder. Meeting of shareholders of the Company may be held outside British Columbia anywhere within Canada, United States of America, or by telephone.

ARTICLE 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business. At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

- (b) at an annual general meeting, all business is special business except for the following:
- (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority. The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum. If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend. The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum. No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum. If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting. If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair. The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair. If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments. The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting. It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decision by Show of Hands or Poll. Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result. The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands

or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded. No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote. In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll. Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment. A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute. In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes. On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 Demand for Poll. No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll. Not to Prevent Continuance of Meeting. The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies. The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business

hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

11.24 Meeting by Telephone or Other Communications Medium. A shareholder or proxy holder may participate in a meeting of the shareholders in person or by telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder or proxy holder may participate in a meeting of the shareholders by a communications medium other than telephone if all shareholders or proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all shareholders or proxy holders who wish to participate in the meeting agree to such participation. A shareholder or proxy holder who participates in a meeting in a manner contemplated by this Article 11.24 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

ARTICLE 12 VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity. A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders. If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders. Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder. If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies. Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders. Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders. A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder. A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy. A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote. A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy. A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the "**Company**")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):

Signed this ____ day of _____, _____.

(Signature of shareholder)

(Name of shareholder - printed)

12.13 Revocation of Proxy. Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed. An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote. The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

ARTICLE 13 DIRECTORS

13.1 First Directors; Number of Directors. The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

- (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors. If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy. An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors. A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors. The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors. The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors. If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director. Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**ARTICLE 14
ELECTION AND REMOVAL OF DIRECTORS**

14.1 Election at Annual General Meeting. At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director. No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors. If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled. If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such

election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies. Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act. The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies. If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors. Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment

14.9 Ceasing to be a Director. A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders. The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors. The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

ARTICLE 15 POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management. The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company. The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

ARTICLE 16 DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits. A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property. A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or

interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company. A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification. No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer. Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations. A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

ARTICLE 17 PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors. The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings. Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings. The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings. A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings. Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required. It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings. Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to such director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum. The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if

the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective. Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

ARTICLE 18 EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee. The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees. The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;

- (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees. Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

18.4 Powers of Board. The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

18.5 Committee Meetings. Subject to Article 18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

ARTICLE 19 OFFICERS

19.1 Directors May Appoint Officers. The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers. The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications. No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment. All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

ARTICLE 20 INDEMNIFICATION

20.1 Definitions. In this Article 20:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors. Subject to the *Business Corporations Act*, the Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons. Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*. The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Article 20.

20.5 Company May Purchase Insurance. The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, officer, employee or agent of the Company;
- (b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

ARTICLE 21 DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights. The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends. Subject to 'the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3 No Notice Required. The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date. The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend. A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties. If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When. Dividend. Payable. Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares. All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders. If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest. No dividend bears interest against the Company.

21.11 Fractional Dividends. If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends. Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus. Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

ARTICLE 22 DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs. The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records. Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

ARTICLE 23 NOTICES

23.1 Method of Giving Notice. Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient;
- (f) as otherwise permitted by any securities legislation (together with all regulations and rules made and promulgated thereunder and all administrative policy statements, blanket orders, and rulings, notices, and other administrative directions issued by securities commissions or similar authorities appointed thereunder) in any province or territory of Canada or in the federal jurisdiction of

the United States or in any state of the United States that is applicable to the Company.

23.2 Deemed Receipt of Mailing. A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

23.3 Certificate of Sending. A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact

23.4 Notice to Joint Shareholders. A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees. A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

ARTICLE 24 SEAL AND EXECUTION OF DOCUMENTS

24.1 Who May Attest Seal. Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies. For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal. The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

24.4 Execution of Documents Generally. The Directors may from time to time by resolution appoint any one or more persons, officers or Directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or Director is appointed, then any one officer or Director of the Company may execute such instrument, document or agreement.

ARTICLE 25 PROHIBITIONS

25.1 Definitions. In this Article 25:

- (a) **“designated security”** means:
 - (i) a voting security of the Company;
 - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (i) or (ii);
- (b) **“security”** has the meaning assigned in the *Securities Act* (British Columbia);
- (c) **“voting security”** means a security of the Company that:
 - (i) is not a debt security, and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application. Article 25.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

25.3 Consent Required for Transfer of Shares or Designated Securities. No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

ARTICLE 26 AUTHORIZED SHARE STRUCTURE

Without restricting the rights of the holders of Class A Common Shares provided under the *Business Corporations Act*, the Class A Common Shares will have the following attributes:

26.1 Voting Rights. The holders of the Class A Common Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have one vote for each Class A Common Share held, at all meetings of the shareholders of the Company, except for meetings at which only of another specified class or series of shares of the Company (if and as applicable) are entitled to vote separately as a class or series.

26.2 Dividends. The holders of the Class A Common Shares shall be entitled to receive dividends and the Company shall pay dividends, as and when declared by the Board of Directors of the Company in their absolute discretion, in such amount and in such form as the Board of Directors of the Company may from time to time determine, and all dividends which the Board of Directors of the Company may declare on the Class A Common Shares shall be declared and paid in equal amounts per share on all Class A Common Shares at the time outstanding.

26.3 Dissolution. In the event of the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Class A Common Shares shall be entitled to participate equally in the distribution of the Company's assets pursuant to the liquidation, dissolution or winding up of the Company.

Schedule "B" Notice of Alteration



NOTICE OF ALTERATION FORM 11 – BC COMPANY Section 257(4) Business Corporations Act

Telephone: 1 877 526-1526
www.bcregistryservices.gov.bc.ca

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, P.O. Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INCORPORATION NUMBER OF COMPANY
BC1190335

B NAME OF COMPANY

JMB Crushing Systems Inc.

C ALTERATIONS TO THE NOTICE OF ARTICLES

Please indicate what information on the Notice of Articles is to be altered:

("altered" means create, add to, vary or delete)

- | | |
|--|---|
| <input type="checkbox"/> Company name | <input checked="" type="checkbox"/> Date of a Resolution or Court Order
(applies to special rights or restrictions only) |
| <input type="checkbox"/> A translation of company name | |
| <input type="checkbox"/> Pre-existing Company Provisions | <input checked="" type="checkbox"/> Authorized Share Structure |

D ALTERATION EFFECTIVE DATE – Choose one of the following:

- The alteration is to take effect at the time that this notice is filed with the registrar.
- The alteration is to take effect at 12:01 a.m. Pacific Time on being a date that is not more than ten days after the date of the filing of this notice.
- The alteration is to take effect at a.m. or p.m. Pacific Time on being a date and time that is not more than ten days after the date of the filing of this notice.

E CHANGE OF COMPANY NAME

The company is to change its name from

to (choose one of the following):

- . This name has been reserved for the company under name reservation number , or
- a name created by adding "B.C. Ltd." after the incorporation number of the company.

F TRANSLATION OF COMPANY NAME

Set out every new translation of the company name, or set out any change or deletion of an existing translation of the company name to be used outside of Canada.

Additions: Set out every new translation of the company name that the company intends to use outside of Canada.

Changes: Change the following translation(s) of the company name:

PREVIOUS TRANSLATION OF THE COMPANY NAME	NEW TRANSLATION OF THE COMPANY NAME

Deletions: Remove the following translation(s) of the company name:

G PRE-EXISTING COMPANY PROVISIONS (refer to Part 17 and Table 3 of the Regulation under the *Business Corporations Act*)

Complete this item only if the company has resolved that none of the Pre-existing Company Provisions are to apply to this company.

The company has resolved that the Pre-existing Company Provisions are no longer to apply to this company.

H AUTHORIZED SHARE STRUCTURE

Set out the date of each resolution or court order altering special rights or restrictions attached to a class or series of shares.

YYYY / MM / DD

Set out the new authorized share structure

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Class A Common	✓		✓				✓

I CERTIFIED CORRECT – I have read this form and found it to be correct.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE COMPANY

X

DATE SIGNED

YYYY / MM / DD



Schedule "C"
Form of Proxy

**FORM OF PROXY AND VOTING LETTER
FOR AFFECTED CREDITORS**

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), AND IN THE MATTER OF the proceedings of JMB Crushing Systems Inc. ("**JMB**") AND 2161889 Alberta Ltd. ("**216**") under the CCAA (the "**CCAA Proceedings**"), AND IN THE MATTER OF a Plan of Arrangement of JMB and Mantle Materials Group, Ltd. (the "**Plan**") under the CCAA and the *Business Corporations Act*, SBC 2002, c 57, as amended

TO: FTI Consulting Canada Inc., in its capacity as Court appointed monitor of JMB and 216 in the CCAA Proceedings

_____ (*insert name of creditor*) (the "**Creditor**") is an "Affected Creditor" (as such term is defined under the Plan) of JMB.

The Creditor hereby:

1. votes FOR the approval of the Plan;
2. acknowledges that if all of the other Affected Creditors vote for the approval of the Plan by Proxy and Voting Letter, the Monitor is authorized to dispense with holding a Creditors' Meeting;
3. in the event that the Monitor holds a Creditors' Meeting, appoints _____ (*insert name of proxyholder*), with full power of substitution, as proxyholder for the Creditor (the "**Proxyholder**") to attend, vote and otherwise act for and on behalf of the Creditor at any Creditors' Meeting (as defined in the Plan);
4. empowers the Proxyholder to vote FOR the approval of the Plan and otherwise act for and on behalf of the Creditor at the Creditors' Meeting, or any adjournment, postponement or rescheduling thereof, including with respect to any amendment, restatement, modification or supplement of the Plan, and with respect to any matters that may come before any such Creditors' Meeting.

DATED this ____ day of _____, 2020.

CREDITOR'S SIGNATURE:

_____ (*name of Affected Creditor*)

By:

Name:

Title:

Appendix D

Asset Purchase Agreement between JMB Crushing
Systems Inc. and Sandhill Equipment Corp.

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (the “**Agreement**”) made as of the 28th day of September, 2020.

BETWEEN:

JMB CRUSHING SYSTEMS INC., a corporation formed under the laws of the Province of Alberta (the “**Vendor**”)

- and -

SANDHILL EQUIPMENT CORP., a corporation formed under the laws of the Province of British Columbia (the “**Purchaser**”, and collectively with the Vendor, the “**Parties**”)

WHEREAS the Vendor has sought and obtained an Order of the Court of Queen’s Bench of Alberta (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-35, as amended (the “**CCAA Proceedings**”);

AND WHEREAS the Vendor wishes to sell the Equipment to the Purchaser and the Purchaser wishes to purchase the Equipment from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings:

“**Closing Date**” means the fifth business day immediately following the date that the Sale Order is issued, or on such other date as the Parties may agree in writing.

“**Equipment**” means all of the Vendor’s right, title and interest in and to certain equipment, as set out in Schedule A.

“**Monitor**” means FTI Consulting Canada Inc. in its capacity as the Court appointed monitor of the Vendor.

“**Permitted Encumbrances**” means any permitted claims or encumbrances as set out or defined in the Sale Order. For the purposes of this Agreement, permitted claims or encumbrances will be nil.

“**Representatives**” means, with, respect to any party, its affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that party and its affiliates.

“**Sale Advisor**” means Sequeira Partners in its capacity as the sales advisor of the Vendor.

“**Sale Order**” means an order to be granted by the Court in the CCAA Proceedings that authorizes, approves or confirms this Agreement and the sale of the Equipment by the Vendor to the Purchaser, free and clear of all claims and encumbrances, but subject to the Permitted Encumbrances.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Equipment

Upon and subject to the terms and conditions of this Agreement, the Vendor will sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser will purchase, acquire and assume from the Vendor, free and clear of all claims other than Permitted Encumbrances, all of the Vendor’s respective right, title, benefit, estate and interest in and to the Equipment in consideration of the payment of the Purchase Price (as defined hereinafter) (collectively, the “**Transaction**”). This Agreement shall be completed on the Closing Date, subject to the terms and conditions contained herein.

2.2 Acknowledgement of the Purchaser as Condition of Equipment

Notwithstanding the foregoing or anything contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) on Closing, title to the Equipment shall be subject to the Permitted Encumbrances;
- (b) in entering into this Agreement, the Purchaser has had an opportunity to conduct any and all due diligence regarding the Equipment and the Vendor, it has relied and will continue to rely solely upon its own independent review, investigations and inspection of any documents and the Equipment, including, without limitation, the physical and environmental condition of the Equipment;
- (c) the Equipment are being purchased and assumed by the Purchaser on an “as is, where is” basis as of the Closing Date;
- (d) in entering into this Agreement, the Purchaser has not relied upon any written or oral statements, representations, warranties or guarantees whatsoever made by the Sale Advisor, the Vendor, or the Monitor, whether express, implied, statutory, or otherwise, regarding the Equipment, or the Vendor, or the accuracy or completeness of any information provided in connection therewith;
- (e) except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor, the Monitor, the Sales Advisor and their Representatives or in respect of the Equipment or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection therewith (whether made or furnished orally or by electronic, faxed, written, or any other means); and,

- (f) this Section 2.2 shall survive and not merge on Closing.

ARTICLE 3 PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Equipment shall be ONE HUNDRED EIGHTY FIVE THOUSAND DOLLARS CDN. (\$185,000) (the “**Purchase Price**”), plus GST and any and all applicable taxes and fees payable under Section 3.3.

3.2 Payment of Purchase Price

The Purchase Price shall be satisfied on or before the Closing Date, by the Purchaser, by payment to the Monitor by way of wire transfer of immediately available funds.

3.3 Taxes and Fees

The Purchaser shall be liable for and shall pay all federal or provincial sales taxes, including GST, and all other taxes, duties, or other similar charges properly payable upon and in connection with the conveyance and transfer of the Equipment by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith, this Agreement, the Equipment, and the Transaction.

ARTICLE 4 CLOSING CONDITIONS

4.1 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction pursuant to this Agreement is subject to the satisfaction of the following conditions precedent:

- (a) payment by the Purchaser of the Purchase Price, in its entirety;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;
- (c) the representations and warranties of the Purchaser set out in Section 6.2 shall be true and accurate in all material respects; and
- (d) the Sale Order shall have been obtained.

Each of the foregoing conditions has been inserted for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Sale Order condition contained in Section 4.1(d). In case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

4.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction pursuant to this Agreement is subject to the satisfaction, on the Closing Date of the following conditions precedent:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects;
- (b) the representations and warranties of the Vendor set out in Section 6.1 shall be true and accurate in all material respects;
- (c) the Sale Order shall have been obtained; and,
- (d) the Sale Order shall have no Permitted Encumbrances.

Each of the foregoing conditions has been inserted for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder, be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Sale Order condition contained in Section 4.2(c). In case any of the said conditions shall not be complied with, or waived by the Purchaser, at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

ARTICLE 5 CLOSING

5.1 Closing Deliveries

On the Closing Date, subject to the provisions of this Agreement, (a) the Vendor shall provide a copy of the Sale Order; and, (b) the Purchaser shall deliver or cause to be delivered to the Monitor, the Purchase Price plus all taxes, fees, and GST.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to and in favour of the Purchaser that:

- (a) it is a corporation duly organized, validly subsisting and in good standing under the laws of the jurisdiction of its incorporation, continuance or amalgamation (as the case may be) and is duly registered and authorized to carry on business in Alberta;
- (b) the Vendor is not a "non-resident" for the purposes of Section 116 of the *Income Tax Act* (Canada) and such Vendor shall receive its share of the Purchase Price on its own account and not as agent, trustee or nominee for any other person who is a non-resident of Canada.

6.2 No Additional Representations and Warranties

Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 6.1 and, in particular, and

without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor in connection with the Equipment or in relation to the Transaction.

6.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date:

- (a) it is a valid and subsisting corporation under the laws of its jurisdiction of registration;
- (b) it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations thereunder; and,
- (c) it is a registrant for the purposes of Part IX of the *Excise Tax Act* (Canada).

ARTICLE 7 GENERAL

7.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and the laws of Canada applicable therein.

7.2 Amendment and Waiver

No supplement, modification, waiver or termination of this Agreement (other than a termination pursuant to Section 4.1 or Section 4.2) shall be binding unless executed in writing by the Parties hereto.

7.3 Assignment

Neither Party may assign their interest in or under this Agreement or to the Equipment without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.

7.4 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties hereto constitute the entire agreement between the Parties hereto pertaining to the Transaction and the Equipment.

7.5 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the Parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the Parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

7.6 Electronic and Counterpart Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed in original, pdf, or other electronic form by email or other electronic delivery, each of which shall constitute and be treated as such Parties' original signature(s).

IN WITNESS WHEREOF the Vendor and the Purchaser have duly executed this Agreement as evidenced by their properly authorized officers as of the day and year first above written.

JMB CRUSHING SYSTEMS INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SANDHILL EQUIPMENT CORP.

Per:  _____
Name: Darren Bidulka, CFO
Title:

SCHEDULE A
EQUIPMENT

1. 2001 Svedala H-6000 Hydrocone M2802 Portable Cone Crusher - Serial Number: SW5873, with Elrus chassis model CH660 E00002029 – Serial Number M2765ER01CC
2. 2004 Sandvik H4800 Hydrocone Portable Crusher - Serial Number: SW-6756, with chassis Serial Number M3314ER04CC, with 42” undercone product discharge conveyor, and with 36” cone feed conveyor
3. 1999 Red Deer 25-Cubic Yard Portable Trap Feeder - Serial Number: RD1BF99000010

Appendix E

Asset Purchase Agreement between JMB Crushing
Systems Inc. and McDonald Aggregates Inc.

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (the "Agreement") made as of the 23rd day of September, 2020.

BETWEEN:

JMB CRUSHING SYSTEMS INC., a corporation formed under the laws of the Province of Alberta (the "Vendor")

- and -

McDONALD AGGREGATES INC., a corporation formed under the laws of the Province of Alberta (the "Purchaser", and collectively with the Vendor, the "Parties")

WHEREAS the Vendor has sought and obtained an Order of the Court of Queen's Bench of Alberta (the "Court") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-35, as amended (the "CCAA Proceedings");

AND WHEREAS the Vendor wishes to sell the Equipment to the Purchaser and the Purchaser wishes to purchase the Equipment from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings:

"**Closing Date**" means the fifth business day immediately following the date that the Sale Order is issued, or on such other date as the Parties may agree in writing.

"**Equipment**" means all of the Vendor's right, title and interest in and to certain equipment, as set out in Schedule A.

"**Monitor**" means FTI Consulting Canada Inc. in its capacity as the Court appointed monitor of the Vendor.

"**Permitted Encumbrances**" means any permitted claims or encumbrances as set out or defined in the Sale Order.

"**Representatives**" means, with respect to any party, its affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that party and its affiliates.

"**Sale Advisor**" means Sequeira Partners in its capacity as the sales advisor of the Vendor.

"Sale Order" means an order to be granted by the Court in the CCAA Proceedings that authorizes, approves or confirms this Agreement and the sale of the Equipment by the Vendor to the Purchaser, free and clear of all claims and encumbrances, but subject to the Permitted Encumbrances.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of Equipment

Upon and subject to the terms and conditions of this Agreement, the Vendor will sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser will purchase, acquire and assume from the Vendor, free and clear of all claims other than Permitted Encumbrances, all of the Vendor's respective right, title, benefit, estate and interest in and to the Equipment in consideration of the payment of the Purchase Price (as defined hereinafter) (collectively, the "Transaction"). This Agreement shall be completed on the Closing Date, subject to the terms and conditions contained herein.

2.2 Acknowledgement of the Purchaser as Condition of Equipment

Notwithstanding the foregoing or anything contained herein or elsewhere, the Purchaser acknowledges and agrees that:

- (a) on Closing, title to the Equipment shall be subject to the Permitted Encumbrances;
- (b) in entering into this Agreement, the Purchaser has had an opportunity to conduct any and all due diligence regarding the Equipment and the Vendor, it has relied and will continue to rely solely upon its own independent review, investigations and inspection of any documents and the Equipment, including, without limitation, the physical and environmental condition of the Equipment;
- (c) the Equipment are being purchased and assumed by the Purchaser on an "as is, where is" basis as of the Closing Date;
- (d) in entering into this Agreement, the Purchaser has not relied upon any written or oral statements, representations, warranties or guarantees whatsoever made by the Sale Advisor, the Vendor, or the Monitor, whether express, implied, statutory, or otherwise, regarding the Equipment, or the Vendor, or the accuracy or completeness of any information provided in connection therewith;
- (e) except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor, the Monitor, the Sales Advisor and their Representatives or in respect of the Equipment or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection therewith (whether made or furnished orally or by electronic, faxed, written, or any other means); and,

- (f) this Section 2.2 shall survive and not merge on Closing.

ARTICLE 3 PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Equipment shall be ONE HUNDRED THOUSAND FIVE HUNDRED DOLLARS CDN. (\$100,500) (the "**Purchase Price**"), plus GST and any and all applicable taxes and fees payable under Section 3.3.

3.2 Payment of Purchase Price

The Purchase Price shall be satisfied on or before the Closing Date, by the Purchaser, by payment to the Monitor by way of wire transfer of immediately available funds.

3.3 Taxes and Fees

The Purchaser shall be liable for and shall pay all federal or provincial sales taxes, including GST, and all other taxes, duties, or other similar charges properly payable upon and in connection with the conveyance and transfer of the Equipment by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith, this Agreement, the Equipment, and the Transaction.

ARTICLE 4 CLOSING CONDITIONS

4.1 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction pursuant to this Agreement is subject to the satisfaction of the following conditions precedent:

- (a) payment by the Purchaser of the Purchase Price, in its entirety;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects;
- (c) the representations and warranties of the Purchaser set out in Section 6.2 shall be true and accurate in all material respects; and
- (d) the Sale Order shall have been obtained.

Each of the foregoing conditions has been inserted for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Sale Order condition contained in Section 4.1(d). In case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

4.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction pursuant to this Agreement is subject to the satisfaction, on the Closing Date of the following conditions precedent:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects;
- (b) the representations and warranties of the Vendor set out in Section 6.1 shall be true and accurate in all material respects; and
- (c) the Sale Order shall have been obtained.

Each of the foregoing conditions has been inserted for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder, be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Sale Order condition contained in Section 4.2(c). In case any of the said conditions shall not be complied with, or waived by the Purchaser, at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

ARTICLE 5 CLOSING

5.1 Closing Deliveries

On the Closing Date, subject to the provisions of this Agreement, (a) the Vendor shall provide a copy of the Sale Order; and, (b) the Purchaser shall deliver or cause to be delivered to the Monitor, the Purchase Price plus all taxes, fees, and GST.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to and in favour of the Purchaser that:

- (a) it is a corporation duly organized, validly subsisting and in good standing under the laws of the jurisdiction of its incorporation, continuance or amalgamation (as the case may be) and is duly registered and authorized to carry on business in Alberta;
- (b) the Vendor is not a "non-resident" for the purposes of Section 116 of the *Income Tax Act* (Canada) and such Vendor shall receive its share of the Purchase Price on its own account and not as agent, trustee or nominee for any other person who is a non-resident of Canada.

6.2 No Additional Representations and Warranties

Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 6.1 and, in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may

have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor in connection with the Equipment or in relation to the Transaction.

6.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date:

- (a) it is a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Equipment are located;
- (b) it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations thereunder; and,
- (c) it is a registrant for the purposes of Part IX of the *Excise Tax Act* (Canada).

ARTICLE 7 GENERAL

7.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and the laws of Canada applicable therein.

7.2 Amendment and Waiver

No supplement, modification, waiver or termination of this Agreement (other than a termination pursuant to Section 4.1 or Section 4.2) shall be binding unless executed in writing by the Parties hereto.

7.3 Assignment

Neither Party may assign their interest in or under this Agreement or to the Equipment without the prior written consent of the other Party, which consent may be withheld in such other Party's sole and unfettered discretion.

7.4 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the Parties hereto constitute the entire agreement between the Parties hereto pertaining to the Transaction and the Equipment.

7.5 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the Parties hereto and their respective successors and assigns and shall enure to the benefit of and be

enforceable by the Parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

7.6 Electronic and Counterpart Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed in original, pdf, or other electronic form by email or other electronic delivery, each of which shall constitute and be treated as such Parties' original signature(s).

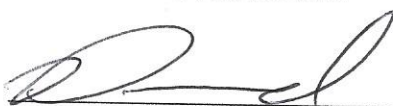
IN WITNESS WHEREOF the Vendor and the Purchaser have duly executed this Agreement as evidenced by their properly authorized officers as of the day and year first above written.

JMB CRUSHING SYSTEMS INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

McDONALD AGGREGATES INC.

Per:  _____
Name: Brad McDonald
Title: President

SCHEDULE A
EQUIPMENT

1. Global 6GSTAP 6" Diesel Trash Pump - Serial Number: 1496808 (\$7,500)
2. 2008 Kolberg/Pioneer 36"X150' telescopic radial super stacker - Serial Number: 409329 (\$93,000)

Appendix G

Fifth Cash Flow Statement
for the 26 Weeks Ending October 30, 2020

Second Cash Flow Statement (Notes 1)

	<i>Actual</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>			
Week #	Weeks 1 - 21	Week 22	Week 23	Week 24	Week 25	Week 26	Weeks 22 - 26	Weeks 1 - 26		
Week Ending		2-Oct-20	9-Oct-20	16-Oct-20	23-Oct-20	30-Oct-20	Total	Total	Notes	
Opening Cash	\$ -	\$ 1,934,814	\$ 1,856,844	\$ 1,468,122	\$ 1,774,622	\$ 3,656,122	\$ 1,934,814	\$ -		
Cash Receipts										
Collection of Canadian Emergency Wage Subsidy	665,791	-	-	20,000	-	-	20,000	685,791		
Collection of Pre-Filing AR - EllisDon (net of lien payouts)	2,031,521	-	-	-	167,000	-	167,000	2,198,521	2	
Collection of Pre-Filing AR - MD of Bonnyville	1,477,612	-	-	-	1,850,000	-	1,850,000	3,327,612	3	
Collection of Post Filing AR - MD of Bonnyville	1,565,745	-	-	-	-	-	-	1,565,745	4	
SISP Proceeds	277,200	-	-	304,500	-	-	304,500	581,700	5	
Other Receipts	141,244	-	-	-	-	-	-	141,244		
Total Receipts	6,159,113	-	-	324,500	2,017,000	-	2,341,500	8,500,613		
Operating Disbursements										
Payroll And Source Deductions	(1,322,358)	(7,257)	(21,000)	(7,500)	-	-	(35,757)	(1,358,116)	6,7	
Royalties	(407,629)	-	-	-	-	-	-	(407,629)		
Fuel	(206,731)	(500)	-	-	-	-	(500)	(207,231)	6	
Repair & Maintenance	(48,916)	-	-	-	-	-	-	(48,916)		
Office Administration	(27,292)	(5,931)	-	-	-	-	(5,931)	(33,222)	6	
Insurance & Benefits	(201,710)	(1,556)	-	-	-	-	(1,556)	(203,266)	8	
Jobsite Lodging	(20,605)	-	-	-	-	-	-	(20,605)	6	
Equipment Loan & Lease Payments	(136,428)	-	-	-	-	-	-	(136,428)	9	
Occupancy	(176,388)	(29,736)	(147)	-	-	-	(29,883)	(206,271)	10	
Other	(36,011)	(16,489)	(3,000)	(3,000)	(3,000)	(3,000)	(28,489)	(64,500)	11	
Total Disbursements	(2,584,068)	(61,469)	(24,147)	(10,500)	(3,000)	(3,000)	(102,116)	(2,686,184)		
Non-Operating Receipts & Disbursements										
DIP Financing (Repayment)	(211,188)	-	-	-	-	-	-	(211,188)		
Professional Fees	(1,429,044)	(16,500)	(364,575)	(7,500)	(132,500)	(7,500)	(528,575)	(1,957,619)	12	
Total Disbursements	(1,640,232)	(16,500)	(364,575)	(7,500)	(132,500)	(7,500)	(528,575)	(2,168,807)		
Net Cash Flow	1,934,814	(77,969)	(388,722)	306,500	1,881,500	(10,500)	1,710,809	3,645,622		
Ending Cash Balance	\$ 1,934,814	\$ 1,856,844	\$ 1,468,122	\$ 1,774,622	\$ 3,656,122	\$ 3,645,622	\$ 3,645,622	\$ 3,645,622		

Notes

- 1 The Fifth Cash Flow Statement has been prepared to set out the post filing liquidity requirements of JMB Crushing Systems Inc. during the five weeks ending October 30, 2020 under the Companies' Creditors Arrangement Act proceeding (the "CCAA Proceedings") which commenced effective May 1, 2020.
- 2 Cash receipts and timing of payment of pre-filing amounts due from Ellis Don and held by the Monitor are based upon the Lien Determination Notices issued by the Monitor on August 20, 2020.
- 3 Cash receipts and timing of payment of pre-filing amounts due from MD of Bonnyville and held by the Monitor are dependent on the outcome of a Court hearing scheduled the week of October 19, 2020 in respect of two appeals to the Monitor's Lien Determination Notices.
- 4 Post-filing amounts due from MD of Bonnyville relate to the collection of invoiced amounts for work completed with the timing of receipt of payment based on recent payment terms.
- 5 SISP Proceeds represents sale proceeds previously received from McDonald Aggregates from the sale of select equipment and forecasted sale proceeds from the sale of additional equipment subject to Court approval on October 1, 2020.
- 6 Active business operations ceased on June 26, 2020 with the completion of the MD of Bonnyville project and the majority of the company's employees were terminated. Forecast operating expenses are based on necessary costs to maintain operations to complete the SISP.
- 7 Payroll and source deductions represent forecast payments to remaining employees for wages.
- 8 Insurance represent the renewal payment for the company's general insurance policy which has been extended to October 31, 2020 and workers' compensation benefit premium payments.
- 9 Equipment Loan and Lease payments represent scheduled payments for automotive equipment currently being utilized.
- 10 Occupancy represents scheduled monthly payments for the company's Edmonton and Bonnyville premises.
- 11 Other disbursements include miscellaneous payments and contingent costs.
- 12 Professional fees relate to the Company's legal counsel, the Monitor, the Monitor's legal counsel, sale consultant, operational consultant and Chief Restructuring Advisor.