



COURT FILE NUMBER 2301-16114

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

COM
Nov 13, 2025

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT BENCH BRIEF OF MANTLE MATERIALS GROUP, LTD.

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
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Attention: Tom Cumming / Cameron Brunet

**APPLICATION BEFORE THE HONOURABLE JUSTICE J.S. LITTLE
NOVEMBER 13, 2025 AT 10:00 AM ON THE CALGARY COMMERCIAL LIST
VIA WEBEX**

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PART 1 – INTRODUCTION

1. Mantle Materials Group, Ltd. (“**Mantle**”) carried on the business of extracting, processing and selling gravel and other aggregates (“**Aggregate**”) from pits that it operated in the Province of Alberta.
2. On July 14, 2023 Mantle filed a notice of intention to make a proposal (the “**NOI**”, and the proceedings commenced thereby, the “**NOI Proceedings**”) under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), and FTI Consulting Canada Inc. (“**FTI**”), a licensed insolvency trustee, was named as the proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”).
3. Pursuant to the initial Order of the Honourable Associate Chief Justice D.B. Nixon pronounced on January 10, 2024 (the “**Initial Order**”), the NOI Proceedings were taken up and continued under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**” and these proceedings, the “**CCAA Proceedings**”), FTI was appointed as monitor (the “**Monitor**”) and proceedings against Mantle were stayed until January 20, 2024 (the period of the stay being the “**Stay Period**”). The Initial Order was amended and restated by the Order of the Honourable Justice R.A. Neufeld pronounced on January 16, 2024 (“**Amended Initial Order**”) and the Stay Period was extended to March 1, 2024. The Stay Period was subsequently extended to September 30, 2024 by an Order of the Honourable Justice M. Hollins pronounced on February 23, 2024, and to November 14, 2025 by an order of the Honourable Justice C.M. Jones pronounced on September 20, 2024 (the “**Stay Extension Order**”).
4. This Bench Brief is submitted on behalf of Mantle in support of an Application seeking, *inter alia*, the following relief from this Honourable Court:
 - (a) if necessary, abridging the time for service and deeming service of the Application and supporting materials to be good and sufficient and declaring that there is no other person who ought to have been served with notice of this Application;

- (b) an Order (the “**Stay Extension Order**”) extending the Stay Period to December 4, 2026;
 - (c) an Order giving leave to Mantle to use the proceeds of sale certain shares that Mantle owned in Atlas Aggregates Inc. pursuant to a share purchase agreement dated January 19, 2024 between Mantle and Arrow-West Holdings Ltd. (such proceedings, the “**Atlas Proceeds**”), if such use is determined by Mantle and the Monitor to be necessary to fund Mantle’s reclamation work during the CCAA Proceedings; and
 - (d) such further and other relief as this Honourable Court deems just.
5. This Application is supported by the Affidavit of Byron Levkulich sworn November 3, 2025 (the “**November Affidavit**”). Mr. Levkulich is a director of Mantle.

PART 2– FACTS

6. The facts forming the background to this Application are set out in more detail in the November Affidavit and in the third report of the Monitor dated November 3, 2024 (the “**Third Report**”).
7. Capitalized terms that are not defined in this brief have the meanings given to them in the November Affidavit and the Third Report. All references to monetary amounts referenced herein are in Canadian dollars, unless otherwise stated.

PART 3- ISSUES

8. The issues to be determined by this Honourable Court are:
- (a) whether this Honourable Court should extend the Stay Period; and
 - (b) whether this Honourable Court should give leave to Mantle to utilize the Atlas Proceeds to fund its activities during the Stay Period.

PART 4– LAW AND ARGUMENT

9. The Stay Period currently expires on November 14, 2025. Mantle seeks an extension of the Stay Period to and including December 4, 2026.
10. A court may grant an extension of the stay of proceedings under the *CCAA* where the court is satisfied that: (i) circumstances exist that make the order appropriate; and (ii) the debtor has acted, and is continuing to act, in good faith and with due diligence.¹
11. The Courts have further noted that a stay of proceedings is appropriate to provide a debtor with breathing room while it tries to stabilize operations and reorganize as a going concern to maximize value for involved stakeholders.²
12. Since the Honourable Justice C.M. Jones granted the Stay Extension Order, Mantle has continued to act diligently and in good faith in these *CCAA* Proceedings by, among other things:³
 - (a) completing the Reclamation Work on the Crown Lands subject to SML 930040 and SML 980116, and on the Freehold Lands and Crown Lands referred to in the November Affidavit as the Buksa Lands, the MacDonald Lands and the 120027 Lands, and applying for Reclamation Certificates for those lands;
 - (b) confirming with the AEPA that no operations were ever carried out on the 930040 Lands and Tucker Lake Lands and applying for Reclamation Certificate on the former lands;
 - (c) completing the majority of the Reclamation Work on the Kucy Lands, Megley Lands and SML 060060 Lands and carrying out additional Reclamation Work to address issues that were identified or arose during the Assessment Period;

¹ *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("*CCAA*") at ss. 11.02(2) and (3) [TAB 1].

² *Target Canada Co, Re*, 2015 ONSC 303 at para 8 [TAB 2].

³ November Affidavit, paras 26-28.

- (d) communicating with AEPA and AFP in relation to the EPOs issued during the 2020 *CCAA* Proceedings and during these *CCAA* Proceedings by the AEPA;
 - (e) continuing to plan, prepare and complete the remainder of the Reclamation Work required to be conducted on the Kucy Lands, Megley Lands and SML 060060 Lands;
 - (f) communicating with the Alberta Environmental Appeals Board in respect of Mantle's appeals of the EPOs issued during these *CCAA* Proceedings;
 - (g) completing the sales of Mantle's interests in certain aggregate pits that had economic reserves pursuant to the CSP APA (as defined in paragraph 23(b) of the November Affidavit;
 - (h) preparing the within Application; and
 - (i) continuing to plan, prepare and complete the Reclamation Work required to be conducted.
13. Mantle has sold all of Sellable Lands and its equipment, and has completed the majority of the Reclamation Work required for the Unsellable Lands.⁴ During the two (2) year Assessment Period, it has continued to carry out any additional Reclamation Work that was required to address issues which were identified or arose during that period.⁵
 14. With respect to Unsellable Lands on which the Reclamation Work is complete and the Assessment Period has expired, Mantle has applied for and is expecting to receive Reclamation Certificates.⁶
 15. There remains Reclamation Work to be done on the Kucy Lands and SML 060060 Lands, and possibly on the Megley Lands, which Mantle intends to carry out in 2026. This will

⁴ November Affidavit, paras 26, 28.

⁵ November Affidavit, para 27.

⁶ November Affidavit, para 28.

require further assessments in 2026. Mantle intends to complete this in fall of 2026 and apply for Reclamation Certificates at that time.⁷

16. The extension of the Stay Period to December 4, 2026 and this Honourable Court's continued protection under the *CCAA* is necessary in order to permit Mantle to, among other things, accomplish the following:⁸
 - (a) carrying out, directing and monitoring the remaining Reclamation Work throughout the remainder of 2025 and 2026;
 - (b) upon the completion of all remaining Reclamation Work for each of its remaining Unsellable Lands, at the end of the applicable Assessment Periods seeking Reclamation Certificates in respect thereof; and
 - (c) carrying out the other activities contemplated hereby.
17. While the length of the extension is long, Mantle respectfully submits that it is necessary in order to fully satisfy all reclamation obligations. Even though the Reclamation Work has been completed on most of the Unsellable Lands, Mantle's obligations will not be fully satisfied by the end of the current Stay Period.
18. Based on the cash flow projections prepared by Mantle and the Monitor, Mantle may need additional cash if the Stay Period is extended to December 4, 2026 and the AEPA and AFP do not refund Security Deposits for Mantle Lands that have been sold or in respect of which Reclamation Certificates have been issued.⁹ Therefore, Mantle is also seeking this Honourable Court's leave to utilize the Atlas Proceeds pursuant to the Arrow-West SPA to fund its Reclamation Work, if Mantle and the Monitor determine that this is necessary in the circumstances.
19. Under the general powers granted by the *CCAA*, this Court can make any order that it considers appropriate in the circumstances in response to an application made by a party

⁷ November Affidavit, para 28.

⁸ November Affidavit, para 33.

⁹ November Affidavit, para 35.

interest in the proceedings.¹⁰ In previous decisions in these proceedings including those of the Honourable Justice Feasby and the Honourable Justice Nixon, this Court has determined that reclamation of the Unsellable Lands is a valid goal to be accomplish in *CCAA* proceedings. It has been further confirmed by the Courts that until Reclamation Obligations are either fully addressed or provided for, distributions cannot be made to creditors, and the proceeds of the insolvent debtor's estate must be used to satisfy Reclamation Obligations.¹¹

20. Until all Reclamation Obligations are satisfied or otherwise appropriately provided for by the AEPA, distributions to creditors will not be permissible and Mantle will not be able to apply to the AEPA and AFP for a return of the Security Deposits. In the present case, Mantle would utilize the Atlas Proceeds to carry out and complete the remaining Reclamation Work. As Reclamation Work is completed with respect to Mantle Lands and Reclamation Certificates are issued, Mantle should be qualified to obtain a refund of the Security Deposits in respect of such Mantle Lands. Provided that Mantle is given leave to utilize the Atlas Proceeds, it will have sufficient funds to carry out the activities described above. Therefore, it is in the interests of all stakeholders that the Stay Period be extended in order to permit Mantle to ensure the forgoing is accomplished.
21. Mantle has carried out the described activities in good faith and with due diligence throughout the NOI Proceedings and *CCAA* Proceedings and respectfully submits that the requested stay extension is appropriate in the circumstances.
22. The Fourth *CCAA* Cash Flow Statement (as defined in the Third Report) confirms that, provided that Mantle is given leave to utilize the Atlas Proceeds, Mantle is forecasted to have sufficient liquidity to continue to fund its activities and meet the costs of the *CCAA* Proceedings to December 4, 2026.¹²
23. The Monitor supports the proposed extension to the Stay Period.

¹⁰ *CCAA*, ss. 11; *Century Services Inc. v Canada (Attorney General)*, 2010 SCC 60 at paras 66-70 [TAB 3].

¹¹ *Pricewaterhouse Coopers Inc. v Perpetual Energy*, 2021 ABCA 16 at paras 95, 138 [TAB 4]; *Re Mantle Materials Group, Ltd.*, 2023 ABKB 488, at para 43 [TAB 5];

¹² November Affidavit, para 35.

PART 5– CONCLUSION AND RELIEF SOUGHT

24. For the reasons set out above, Mantle respectfully requests the relief described in paragraph 4 of this Brief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of November, 2024.

GOWLING WLG (CANADA) LLP

Per: _____
Tom Cumming/Cameron Brunet
Counsel for Mantle Materials Group, Ltd.

TABLE OF AUTHORITIES

Tab	Authority
1.	<i>Companies Creditors Arrangement Act</i> , R.S.C., 1985, c. C-36.
2.	<i>Target Canada Co, Re</i> , 2015 ONSC 303.
3.	<i>Century Services Inc. v Canada (Attorney General)</i> , 2010 SCC 60.
4.	<i>Pricewaterhouse Coopers Inc. v Perpetual Energy</i> , 2021 ABCA 16.
5.	<i>Re Mantle Materials Group, Ltd.</i> , 2023 ABKB 488.