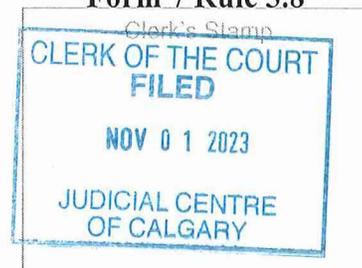


Form 7 Rule 3.8



COURT FILE NO. 25-2965622
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

APPLICANT MANTLE MATERIALS GROUP, LTD.

DOCUMENT APPLICATION (Extend Stay Period, Approve Auction Contract, Vest
Auctioned Equipment, and Seal Auction Contract)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
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Email: tom.cumming@gowlingwlg.com / sam.gabor@gowlingwlg.com
/ stephen.kroeger@gowlingwlg.com
File No. A171561
Attention: Tom Cumming / Sam Gabor / Stephen Kroeger

NOTICE TO THE RESPONDENTS

This application is made against you.

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

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

Date: November 8, 2023
Time: 2:00 p.m. MST
Where: By Webex (see Webex details at **Schedule "D"**)
<https://albertacourts.webex.com/meet/virtual.courtroom86>
Before Whom: The Honourable Justice Dunlop in Commercial Chambers

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

Remedy claimed or sought:

1. The applicant, Mantle Materials Group, Ltd. (“**Mantle**”), in connection with the proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”, and such proceedings, the “**Proposal Proceedings**”) applies for:
 - (a) an Order, substantially in the form attached as **Schedule “A”**:
 - (i) abridging the time for service of notice of this Application, deeming service of notice of this Application to be good and sufficient, and declaring that there is no other person who ought to have been served with notice of this Application;
 - (ii) extending the 45 day period within which the Proposal Trustee is required to file a proposal with the official receiver under sections 50.4(8) and 50.4(9) of the *BIA* by an additional 45 days, ending December 28, 2023 (such period, as extended from time to time under section 50.4(9) of the *BIA*, being the “**Stay Period**”, and the date on which the Stay Period expires being the “**Expiry Date**”);
 - (iii) declaring that the provision by Atlas Aggregates Inc. (“**Atlas**”) to Mantle of a list of Atlas’ shareholders, the number of securities held by each shareholder, the date and particulars of the issue and transfer of each security, and each shareholder’s respective address, phone number and email address (collectively the “**Shareholder Information**”) is not a violation of privacy law pursuant to the *Personal Information Protection Act* (Alberta);
 - (iv) authorizing and directing that Atlas forthwith provide the Shareholder Information to Mantle;

- (b) an Order, substantially in the form attached as **Schedule “B”**:
 - (i) approving a contract of auction between the Mantle and Ritchie Bros. Auctioneers (Canada) Ltd. (“**RB**”) dated October 31st, 2023 (the “**Auction Agreement**”) providing for the auction and sale of the certain equipment owned by Mantle (the “**Equipment**”);
 - (ii) approving the sale of the Equipment in accordance with the terms of the Auction Agreement; and
 - (iii) vesting all of the right, title and interest of Mantle in and to the Equipment in each purchaser thereof in accordance with the Auction Agreement, free and clear of any security interest, charge, lien or other encumbrance;
- (c) an Order substantially in the form attached as **Schedule “C”**, sealing the Confidential Affidavit of Byron Levkulich, sworn October 30, 2023, containing an unredacted version of the Auction Agreement and the Bid Summary (as defined herein) on the Court Record subject to the terms set forth therein (the “**Confidential Levkulich Affidavit**”); and
- (d) such further and other relief as Mantle may request and this Honourable Court may grant.

Grounds for making this application:

Background

2. Mantle, an Alberta corporation, is a wholly owned subsidiary of RLF Canada Holdings Limited (“**RLF Holdco**”), a Colorado corporation, which in turn is a wholly owned subsidiary of Resource Land Fund V, LP (“**RLF LP**”), a Delaware limited partnership, which is a fund managed by Resource Land Holdings, LLC.

3. Mantle extracts, processes and sells aggregate and gravel extracted from various pits (collectively, the “**Aggregate Pits**”) operated by Mantle in Alberta pursuant to surface material leases issued by the Crown in right of Alberta and royalty agreements with private land owners.
4. Mantle acquired the business and Aggregate Pits from JMB Crushing Systems Inc. (“**JMB**”) and 2161889 Alberta Ltd. (“**216**”) on May 1, 2021. JMB and 216 had also been subsidiaries of RLF LP.
5. Prior to its acquisition of the Aggregate Pits, Alberta Environment and Protected Areas (the “**AEPA**”) had issued environmental protection orders requiring that certain Aggregate Pits be reclaimed (the “**EPOs**”). With respect to Aggregate Pits which were being operated by Mantle (the “**Active Aggregate Pits**”), Mantle performed reclamation work as it was extracting and processing Aggregate. With respect to Aggregate Pits which were not being operated (the “**Inactive Aggregate Pits**”), Mantle carried out reclamation work in accordance with the EPOs.
6. In the two years following its acquisition of the business and Aggregate Pits, Mantle was unable to generate sufficient sales and working capital to be financially viable. Therefore, management and the directors of Mantle determined that the best course of action for Mantle was to commence proceedings under Division I of Part IV of the *BIA* to permit Mantle to complete certain profitable aggregate supply contracts, liquidate its property in a commercially reasonable manner so as to maximize the proceeds, and allow it to ensure that its environmental reclamation obligations were addressed or assumed by purchasers.
7. On July 14 2023, Mantle filed a notice of intention to make a proposal (the “**NOI**”) pursuant to section 50.4(1) of the *BIA* (such proceedings, the “**Proposal Proceedings**”) naming FTI Consulting Canada, Inc. as proposal trustee (the “**Proposal Trustee**”). As a result of the filing of the NOI, all proceedings against Mantle and its property were automatically stayed for an initial period of thirty (30) days.

8. In order to secure sufficient funding to permit Mantle to carry out the reclamation work and sell its property in a commercially reasonable manner, Mantle entered into an interim facility agreement (the “**Interim Facility Agreement**”) with RLF Canada Lender Limited (“**RLF Lender**”), an affiliate of Mantle’s parent RLF Holdco, under which RLF Lender agreed to provide Mantle with a non-revolving, super-priority interim financing facility in the maximum amount of \$2,200,000 (the “**Interim Facility**”). Advances under the Interim Facility were condition on this Honourable Court approving the Interim Facility Agreement and granting a super-priority charge as security therefor under section 50.6 of the *BIA*. The Proposal Trustee and counsel for the Proposal Trustee and Mantle also required a super-priority charge from this Honourable Court securing their fees and expenses, and Mantle’s directors and officers required a super-priority charge securing Mantle’s obligations for liabilities arising in their capacity as directors subsequent to the filing of the NOI.
9. Mantle filed an application for an Order extending the Stay Period, granting an administration charge in favour of the Proposal Trustee and counsel for the Proposal Trustee and Mantle in the maximum amount of \$425,000 (the “**Administration Charge**”), approving the Interim Facility Agreement, granting a charge securing the Interim Facility (the “**Interim Financing Charge**”), granting a charge in the maximum amount of \$150,000 to secure Mantle’s obligation to indemnify its directors and officers for obligations they may incur subsequent to the filing of the NOI (the “**D&O Charge**”, and together with the Administration Charge and Interim Financing Charge, the “**BIA Charges**”), ordering that the *BIA* Charges rank in priority to any other security interest, charge or encumbrance, and order that as between the *BIA* Charges, the Administration Charge ranks first in priority, the Interim Charge ranks second in priority order and the D&O Charge ranks third in priority.
10. On August 8, 2023 the Honourable Justice Campbell adjourned hearing but granted in the interim an Order extending the Stay Period and time within which Mantle was required to file a proposal Period to August 18, 2023.

11. On August 15, 2023, the Honourable Justice Feasby granted an order, *inter alia*, extending the Stay Period to September 27, 2023, approving the Interim Facility and Interim Facility Agreement, creating the *BIA* Charges, and granting priority to any security interest, charge, lien or encumbrance, other than a purchase-money security interest (a “**PMSI**”) in favour of Travelers Capital Corp. (“**Travelers**”, and such Order, the “**August 15 Order**”). Travelers had opposed the Order on the basis that a PMSI should not rank subsequent in priority to environmental reclamation liabilities, and the Honourable Justice Feasby reserved in respect of that question. On August 28, 2023, Feasby J. released his decision (the “**KB Decision**”), determining that the *BIA* Charges should rank in priority to Travelers’ PMSI. The August 15 Order was amended by an Order dated as of August 28, 2023 (together with the August 15 Order, the “**Amended Order**”).
12. On September 7, 2023, Travelers filed an application for confirmation that it has an appeal as of right in respect of the KB Decision and Amended Order under section 193(c) of the *BIA*, or in the alternative requesting leave to appeal under section 193(e) of the *BIA*.
13. On September 22, 2023, the Honourable Justice Lema granted an order, *inter alia* extending the Stay Period and time within which Mantle was required to file a proposal Period to November 13, 2023 (the “**September 22 Order**”).
14. Travelers’ application for leave to appeal was heard by de Wit J.A. on October 18, 2023. On October 23, 2023, the Court of Appeal released a decision stating that section 193(c) was not available and denying Travelers leave to appeal under section 193(e).

Extension of the Stay Period and Approval of the Auction Agreement

15. Since the September 22 Order, Mantle has been:
 - (a) responding to the application for leave to appeal of Travelers;
 - (b) working with its suppliers to permit the continuation of its operations during the Proposal Proceedings;

- (c) addressing its reclamation liabilities in accordance with AEPA requirements with respect to Aggregate Pits that cannot be sold and reporting to the AEPA;
 - (d) selling and delivering Aggregate to its customers pursuant to its supply and sale contracts;
 - (e) developing, launching and implementing in consultation with the Proposal Trustee a sale solicitation process for Aggregate Pits that Mantle is operating or have significant reserves of gravel and aggregate (the “SSP”);
 - (f) working with the Proposal Trustee to market the Equipment to auctioneers and other equipment dealers;
 - (g) negotiating and entering into the Auction Agreement with RB;
 - (h) developing a proposal or plan that would permit Mantle to complete address its reclamation liabilities, sell its assets and ultimately distribute the proceeds thereof after satisfying its reclamation liabilities and paying the costs being incurred in these Proposal Proceedings; and
 - (i) dealing with other issues which have arisen in in the course of the Proposal Proceedings.
16. Even though the majority of the reclamation work on the Aggregate Pits will be completed this year, there will be some continuing reclamation work required over a two year period before Mantle is able to obtain reclamation certificates. In addition, the process of transferring the sellable Aggregate Pits can take an extended period of time, as the AEPA has to approve the purchasers and obtain new security from them.
17. Given that the time required to carry out these activities will extend beyond the six (6) month maximum period within which a proposal under Division I of Part III of the *BIA* must be filed, Mantle intends to file an originating application under section 11.6 of the

Companies' Creditors Arrangement Act (the "**CCAA**") to take up and continue the Proposal Proceedings under the *CCAA*. The failure to do so would result in Mantle becoming bankrupt, and in absence of any party being willing to provide funding to a trustee over a two year period to continue the reclamation work, the creditors would receive little if anything.

18. Mantle, in consultation with the Proposal Trustee, further ran a two stage bid process for the sale of certain of Mantle's equipment (the "**Equipment**"), soliciting purchase offers and sale proposals from reputable auctioneers.
19. Mantle received five bids (5) from reputable auctioneers (the "**Bids**") and is of the view that RB's bid is superior because Travelers supports the selection of RB's bid, RB has a superior market reach which increases the chances of its auction yielding the most favourable sale prices for the Equipment, and its financial resources mean that any credit risk is minimized. As such, RB's bid appears likely to provide a superior recovery for Mantle's stakeholders.
20. Under the Auction Agreement:
 - (a) RB agrees to hold an auction on or about December 13, 2023 at its auction site, where the Equipment would be auctioned together with other equipment;
 - (b) RB guarantees the minimum gross proceeds (the "**MGP**") from the sale of the Equipment;
 - (c) RB is paid a commission calculated on the basis of the MGP, and proceeds in excess of the MGP are split between RB and Mantle based on agreed upon percentages;
 - (d) the Auction Agreement is subject to approval by this Honourable Court, and upon the sale of an item of Equipment by RB, the right, title and interest of Mantle in such item vests in the purchaser free and clear of Encumbrances; and

- (e) once the Auction Agreement is approved by this Honourable Court, a lien is granted by Mantle in favour of RB in the Equipment.
21. The Proposal Trustee supports Mantle entering into the Auction Agreement.
 22. Mantle requires an extension of the Stay Period to continue the restructuring of its businesses and to work towards making a viable proposal to its creditors. The extension of the Stay Period is appropriate for, *inter alia*, the following reasons:
 - (a) Mantle has acted and continues to act in good faith and with due diligence;
 - (b) no creditor will be materially prejudiced by the requested extension of the Stay Period;
 - (c) the extension of the Stay Period is necessary to allow Mantle to perform its obligations under the Auction Agreement and sell the Equipment;
 - (d) the extension of the Stay Period is necessary to allow Mantle to sell its marketable Aggregate Pits under the SSP;
 - (e) the extension of the Stay Period is necessary to allow Mantle sufficient time and opportunity to satisfy its Environmental Reclamation liabilities; and
 - (f) an extension of the Stay Period will permit Mantle to finalize the form of a plan of compromise and arrangement with its secured creditors.
 23. Mantle has sufficient cash flow to operate during the extended Stay Period being applied for.
 24. The extension of the Stay Period strikes a balance between the public's interest in ensuring environmental reclamation liabilities are satisfied in a timely and efficient manner and maximizing the value of Mantle's estate for the benefit of all stakeholders including creditors.

25. The Proposal Trustee supports the requested extension of the Stay Period.

Sealing Order

26. A Sealing Order directing the sealing of the Confidential Levkulich Affidavit containing a summary of the Bids (the “**Bid Summary**”) and an unredacted version of the Auction Agreement is necessary due to the risk that the public disclosure of the contents of the Bid Summary and Auction Agreement may prejudice the auction process and any future attempt to sell the Equipment in the event that the conditions precedent under the Auction Agreement are not satisfied or RB breaches its obligations under the Auction Agreement. There are no reasonable alternative measures, and the benefits of a sealing order would outweigh any negative effects on the interests of the public.

Atlas Aggregates

27. Mantle owns approximately a third of the shares in Atlas, a private Alberta corporation. Atlas holds half of the shares in 13866194 Alberta Ltd. (“**1386**”), which holds an interest in public lands under a surface material lease identified as SML 030074. Mantle has been advised that the lands subject to SML 030074 hold significant reserves of Aggregate. Mantle therefore intends to market its shares in Atlas to other shareholders of Atlas. Mantle has requested that Atlas give its representatives access to Atlas’ securities register, in which Atlas is required to include the names of each shareholder, the number of shares they hold, and their contact details (the “**Shareholder Information**”), in order to enable Mantle to give notice to Atlas’ shareholders of the opportunity to purchase Mantle’s shares in Atlas.
28. Mantle and its counsel have recently communicated with Atlas and its counsel. Atlas has refused to provide Mantle with the Shareholder Information on the basis of privacy concerns and because Atlas is considering offering to buy back Mantle’s shares in Atlas. Atlas and its counsel have advised Mantle and its counsel that Atlas is only prepared to provide Mantle’s contact information to Atlas’ shareholders in the event Atlas does not

purchase Mantle's shares and Atlas not prepared to provide Mantle the Shareholder Information regardless if it purchases Mantle's shares in Atlas or not.

29. Mantle seeks an order of this Honourable Court declaring that the provision of the Shareholder Information is not a violation of privacy law pursuant to the *Personal Information Protection Act* (Alberta). Mantle further requires an authorizing and directing that Atlas forthwith provide the Share Information to Mantle so that Mantle can take appropriate steps to market its shares in Atlas to the Atlas Shareholders in order to maximize their value for the benefit of Mantle's stakeholders.

Material or evidence to be relied on:

30. The Affidavit of Byron Levkulich, sworn October 30, 2023, to be filed;
31. Confidential Affidavit of Byron Levkulich, sworn October 30, 2023, containing the confidential Bid Summary and unredacted version of the Auction Agreement, to be sealed;
32. Bench Brief, to be filed;
33. The third report of the Proposal Trustee, to be filed; and
34. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

35. Rules 1.2, 1.3, 3.2(2)(d), 3.8, 6.3(1), 6.9, 11.27 and 13.5 of the *Alberta Rules of Court*, Alta Reg 124/2010;
36. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended;
37. *Business Corporations Act*, RSA 2000, c B-9, sections 21(1), 23(11), 49(1); *Personal Information Protection Act*, SA 2003, c P-6.5;

38. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

39. None.

How the application is proposed to be heard or considered:

40. Before the presiding Justice in Commercial Chambers via Webex.

WARNING

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

Schedule "A"

Draft Stay Extension Order

Clerk's Stamp

COURT FILE NO. 25-2965622

COURT COURT OF KING'S BENCH OF ALBERTA
(IN BANKRUPTCY & INSOLVENCY)

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT **ORDER (Stay Extension and Other Relief)**

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 / Sam Gabor / Stephen Kroeger**

Phone: 403.298.1938 / 403.291.1946 / 403.298.1018

Fax: 403.263.9193

Email: tom.cumming@gowlingwlg.com /
sam.gabor@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com

File No.: A171561

DATE ON WHICH ORDER WAS PRONOUNCED: November 8, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Dunlop

UPON THE APPLICATION of Mantle Materials Group, Ltd. (“**Mantle**”), filed October 30, 2023; **AND UPON** reading Affidavit of Byron Levkulich, sworn October 30, 2023 (the “**Affidavit**”); **AND UPON** being advised that on July 14, 2023, that Mantle filed a notice of intention to make a proposal (the “**NOI**”) under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC, c B-3 (as amended, the “**BIA**”); **AND UPON** reading the Report of FTI Consulting Canada Inc. dated _____, 2023 in its capacity as proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”); **AND UPON** hearing submissions by counsel for Mantle, counsel for the Proposal Trustee and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

Service

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

Extension of time to file a Proposal

2. The time within which Mantle is required to file a proposal to its creditors with the Official Receiver, under section 50.4 of the *BIA* is hereby extended to December 28, 2023.
3. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Provision of Shareholder Information

4. The provision by Atlas Aggregates Inc. (“**Atlas**”) to Mantle of a list of all of Atlas’ shareholders, the number of securities held by each shareholder, the date and particulars of the issue and transfer of each security, and each shareholder’s respective address, phone number and email address (collectively the “**Shareholder Information**”) is not a violation of privacy law pursuant to the *Personal Information Protection Act*, SA 2003, c P-6.5.
5. Atlas is authorized and directed to forthwith provide the Shareholder Information to Mantle.

J.C.K.B.A

Schedule "B"

Draft Auction Approval Order

COURT FILE NO. 25-2965622

COURT COURT OF KING'S BENCH OF ALBERTA
(IN BANKRUPTCY & INSOLVENCY)

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT **ORDER (Auction Approval and Other Relief)**

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 / Sam Gabor / Stephen Kroeger**

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sam.gabor@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com

File No.: A171561

DATE ON WHICH ORDER WAS PRONOUNCED: November 8, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Dunlop

UPON THE APPLICATION of Mantle Materials Group, Ltd. (“**Mantle**”), filed October 30, 2023 for Orders, among other things, (i) approving the contract to auction dated October ____, 2023 (the “**Auction Agreement**”) between the Mantle and Ritchie Bros. Auctioneers (Canada) Ltd. (the “**Auctioneer**”), an unredacted copy of which is attached to the Confidential Affidavit of Byron Levkulich dated October 30, 2023 (the “**Confidential Levkulich Affidavit**”); (ii) authorizing the Auctioneer to conduct an auction in accordance with the terms of the Auction

Agreement to auction equipment owned by Mantle (the “**Equipment**”, and such auction, the “**Auction**”); (iii) vesting in each purchaser of one or more items of Equipment from the Auctioneer (each, a “**Purchaser**”) all of Mantle’s right, title and interest in and to the property purchased by such Purchaser (in each case, the “**Purchased Assets**”), free and clear of any claims and encumbrances; **AND UPON** reading Affidavit of Byron Levkulich, sworn October 30, 2023 (the “**Affidavit**”) and the Confidential Levkulich Affidavit; **AND UPON** reading the Report of FTI Consulting Canada Inc. dated _____, 2023 in its capacity as proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”); **AND UPON** hearing submissions by counsel for Mantle, counsel for the Proposal Trustee and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

SERVICE

6. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application

Approval of Auction Agreement

7. The Auction Agreement is approved. Mantle is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction.
8. Upon:
 - (a) the Auctioneer completing a sale to a Purchaser of Purchased Assets;
 - (b) receipt by the Auctioneer from such Purchaser of the purchase price for such Purchased Assets determined at the Auction; and

- (c) delivery by the Auctioneer to such Purchaser of a bill of sale or similar evidence of purchase and sale in respect of such Purchased Assets (each, a “**Purchaser’s Bill of Sale**”),

(each an “**Auction Transaction**” and collectively, the “**Auction Transactions**”, and the completion of the steps described in paragraphs (a) to (c) above being a “**Closing**”), all of the Mantle’s right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser’s Bill of Sale shall vest absolutely in the name of such Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing, any encumbrances or charges created by the Order of Justice Feasby in these proceedings dated August 15, 2023 (as amended by amending Order dated August 28, 2023) and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system (collectively, “**Encumbrances**”), and, for greater certainty, this Court orders that effective on Closing of an Auction Transaction, all of the Claims and Encumbrances affecting or relating to the Purchased Assets subject thereto are hereby expunged and discharged as against such Purchased Assets.

9. From and after the Closing of each Auction Transaction, Mantle or the Auctioneer are authorized to discharge from the Personal Property Registry (Alberta) and any other personal property registry system any claim registered against any of the personal property being purchased by the Purchaser, to the extent the security interest is registered against the interest of Mantle.

10. Upon the completion of all of the Auction Transactions to the satisfaction of Mantle and the Proposal Trustee, the Proposal Trustee shall file a certificate substantially in the form attached hereto as **Schedule “A”** certifying that the Auction Transactions have closed (the **“Proposal Trustee’s Certificate”**).
11. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets at the Auction shall stand in the place and stead of the Purchased Assets, and from and after a Closing all Claims and Encumbrances against the Purchased Assets subject thereto shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to their sale at Auction, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
12. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Auction Transaction, have no liability of any kind whatsoever in respect of any Claims against Mantle.
13. Mantle and all persons who claim by, through or under Mantle in respect of the Purchased Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
14. The Purchaser (or its nominee) shall be entitled to take possession of and hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Mantle, or any person claiming by or through or against Mantle.
15. Notwithstanding:
 - (a) the pendency of these proceedings;

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Mantle and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Mantle,

the vesting of each of the Purchased Assets in its respective Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Mantle and shall not be void or voidable by creditors of Mantle, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to Mantle and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Mantle and the Proposal Trustee and their agents in carrying out the terms of this Order.

Service of Order

17. This Order must be served only upon those interested parties attending or presented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

18. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.K.B.A

Schedule “A”

Form of Proposal Trustee’s Certificate

25-2965622

COURT FILE NO.

COURT

COURT OF KING’S BENCH OF ALBERTA
(IN BANKRUPTCY & INSOLVENCY)

JUDICIAL CENTRE

CALGARY

APPLICANT

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT

ORDER (Auction Approval and Other Relief)

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 / Stephen Kroeger**

Phone: 403.298.1938 / 403.298.1018

Fax: 403.263.9193

Email: tom.cumming@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com

File No.: A171561

RECITALS

- A. On July 14, 2023, Mantle Materials Group, Ltd. (“**Mantle**”) filed a notice of intention to make a proposal (the “**NOI**”) under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC, c B-3, as amended and FTI Consulting Canada Inc. was appointed in its capacity as proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”);
- B. Pursuant to an Order of the Court dated November 8, 2023, the Court approved the auction services agreement made as of October 31st, 2023 (the “**Auction Agreement**”) between

Mantle and Ritchie Bros. Auctioneers (Canada) Ltd. pursuant to which one or more auction transactions may be completed (the “**Auction Transactions**”).

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Auction Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Auction Transactions have been completed by Mantle.
2. This Certificate was delivered by the Proposal Trustee at [Time] on [Date]

FTI Consulting Canada Inc., in its capacity as
Proposal Trustee of **Mantle Materials Group,
Ltd.**, and not in its personal capacity

Per: _____

Name:

Title:

Schedule "C"
Draft Sealing Order

COURT FILE NO. 25-2965622

COURT COURT OF KING'S BENCH OF ALBERTA
(IN BANKRUPTCY & INSOLVENCY)

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF MANTLE MATERIALS GROUP, LTD.

DOCUMENT **SEALING ORDER**

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 / Sam Gabor / Stephen Kroeger**

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sam.gabor@gowlingwlg.com /
stephen.kroeger@gowlingwlg.com

File No.: A171561

DATE ON WHICH ORDER WAS PRONOUNCED: November 8, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Dunlop

UPON THE APPLICATION of Mantle Materials Group, Ltd. (“**Mantle**”), filed October 30, 2023; **AND UPON** reading the Affidavit of Byron Levkulich, sworn October 30, 2023 (the “**Affidavit**”) and the Confidential Affidavit of Byron Levkulich, sworn October 30, 2023 (the “**Confidential Levkulich Affidavit**”); **AND UPON** hearing submissions by counsel for Mantle, counsel for FTI Consulting Canada Inc. dated _____, 2023 in its capacity as proposal trustee of

Mantle (in such capacity, the “**Proposal Trustee**”); and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

1. The time for service of the notice of application (the “**Application**”) for this sealing order (the “**Order**”) is hereby abridged and deemed good and sufficient and the Application is properly returnable today, and no other than those persons served is entitled to service of the notice of Application.
2. The Confidential Levkulich Affidavit shall be sealed and kept confidential until the filing of the filing of the Proposal Trustee’s Certificate (as defined in the Order of Dunlop J. dated October 8, 2023) or until further Order of this Court, to be shown only to a Justice of the Court of King’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope, which shall be clearly marked:

“SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE DUNLOP DATED OCTOBER 8, 2023. TO REMAIN SEALED UNTIL THE PROPOSAL TRUSTEE’S CERTIFICATE AS DEFINED IN THE ORDER (AUCTION APPROVAL AND OTHER RELIEF) OF JUSTICE DUNLOP DATED OCTOBER 8, 2023 IS FILED WITH THE COURT OR UNTIL FURTHER ORDER OF THE COURT.”

3. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the Proposal Trustee’s website created and maintained for the within proceeding and by delivering a copy of this Order to those parties listed on the Service List prepared by counsel to Mantle.

J.C.K.B.A

SCHEDULE “D”

WEBEX DETAILS

Counsel: Please ensure that all relevant parties have received Webex information.
Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Thank you,