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COURT FILE NO. 25-~~2903622~~ ~~B204,965622~~
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**
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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 November 1, 2023 for Orders, among other things, (i) approving the contract to auction dated October 31, 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 November 1, 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

November 1, 2023 (the “**Affidavit**”) and the Confidential Levkulich Affidavit; **AND UPON** reading the Report of FTI Consulting Canada Inc. dated November 3, 2023 (the “**Third Report**”) in its capacity as proposal trustee of Mantle (in such capacity, the “**Proposal Trustee**”) and the Confidential Supplement to the Third Report; **AND UPON** hearing submissions by counsel for Mantle, counsel for the Proposal Trustee, counsel for Travelers Capital Corp., 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

Approval of Auction Agreement

2. 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.
3. 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; 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 “**Sale Transaction**” and collectively, the “**Sale 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 pursuant to a Sale Transaction 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 a Sale 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.

4. From and after the Closing of each Sale Transaction, Mantle or the Auctioneer are authorized to register partial discharges in the Personal Property Registry (Alberta) and any other personal property registry system, discharging any Encumbrances registered therein as against the Purchased Assets purchased by Purchasers pursuant to Sale Transactions, but only to the extent such registrations affect or attach to such Purchased Assets.
5. Upon those portions of the purchase prices paid by Purchasers to the Auctioneer becoming payable to Mantle pursuant to the Auction Agreement (“**Net Sale Proceeds**”), the Auctioneer is hereby authorized and directed to pay the Net Sale Proceeds directly to the Proposal Trustee together with a list of any unsold Equipment. Upon the sale of all of the Equipment (or the surrender of any unsold Equipment to Mantle) and the final payment to the Proposal Trustee of all of the Net Sale Proceeds, the Proposal Trustee shall file a certificate substantially in the form attached hereto as **Schedule “A”** certifying that it has received all of the Net Sale Proceeds (the “**Proposal Trustee’s Certificate**”). The Proposal Trustee shall hold all of the Net Sale Proceeds in trust pending further order of this Honourable Court.
6. For the purposes of determining the nature and priority of Claims and other Encumbrances, the Net Sale Proceeds shall stand in the place and stead of the Purchased Assets, and from and after the Closing of a Sale Transaction, all Claims and Encumbrances against the Purchased Assets subject thereto shall attach to the Net Sale Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to their sale pursuant to the Sale Transaction, 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 Transactions.

7. The Purchasers (and their nominees, if any) shall, by virtue of the completion of the Sale Transaction, have no liability of any kind whatsoever in respect of any Claims or other Encumbrance against Mantle.
8. 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 Purchasers (or their nominees).
9. The Purchasers (or their nominees) shall be entitled to take possession of and hold and enjoy the Purchased Assets for their own use and benefit without any interference of or by Mantle, or any person claiming by or through or against Mantle.
10. 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.

11. 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

12. 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.
13. 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

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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 that the Proposal Trustee has received all of the Net Sale Proceeds of the Equipment.

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: